

Minutes of the 845th Meeting
“Celebrating Over 60 Years of Continuous Environmental Excellence”
Alexandria Renew Enterprises
6:00 p.m., Tuesday, June 20, 2017

On Tuesday, June 20, at 6:00 p.m., the regular meeting of the Alexandria Renew Enterprises (AlexRenew) Board of Directors was held at Alexandria Renew Enterprises in the Ed Semonian Board Room at 1800 Limerick Street with the following present:

Members: Mr. John Hill, Chair
Mr. Bruce Johnson, Vice Chair
Mr. William Dickinson, Secretary-Treasurer
Mr. James Beall, Member

Excused: Ms. Patricia Turner, Member

Staff: Ms. Karen Pallansch, Chief Executive Officer
Mr. Charlie Logue, Chief of Production
Mr. Stephen Schemmel, Chief of Finance and Administration
Ms. Lisa Van Riper, Director of Enterprise Communications
Ms. Lisa Reynolds, Director of Engineering and Planning
Mr. Hans Bailey, Senior Customer Service Manager
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak
McGuireWoods, LLP

Fairfax County Representative: Mr. Shahram Mohsenin, Branch Chief
Fairfax County Wastewater Planning & Monitoring Division

City Representative: Mr. Lalit Sharma
Office of Environmental Quality

Education Discussion: Mr. Steve Craig, Managing Director
Virginia Municipal League Insurance Pool (VMLIP)

Call to Order

The Chairman called the meeting to order at 6:07 p.m.

Approval of the Agenda

The Chairman reviewed the agenda and requested a motion to approve. Mr. Beall moved approval, and Mr. Johnson seconded. The Board unanimously approved the agenda.

Public Comment

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

The Chairman recognized Ms. Pallansch who introduced Mr. Steve Craig, Managing Director of the Virginia Municipal League Insurance Pool (VMLIP).

Educational Discussion – VMLIP

Mr. Craig reviewed the history of VMLIP, a non-profit, member-owned insurance program comprised of Virginia local governments and municipalities. VMLIP provides automobile, property liability, and workers compensation coverage for its members. It opened in 1980 with 10 localities in the Pool. Today, the Pool has over 750 members and holds assets of \$267 million.

The largest portion of VMLIP's business is workers' compensation and automobile coverage. Other services include human resources, risk management communications, online university courses, and safety programs. VMLIP's "Rubber Meets the Road" program, which AlexRenew participates in, has reduced automobile accident claims by 20% since inception.

Mr. Craig reported that AlexRenew's annual premium is \$445,000. According to Mr. Craig, VMLIP conducts annual reviews with the Virginia Bureau of Insurance and an actuary to ensure that Pool coverages are within limits and risk management guidelines. The VMLIP Annual Report noted premium and member retention rates and highlighted the organization's financial stability. New initiatives under consideration include a nurse hotline and telemedicine services for members.

Members inquired about reinsurance and coverage for pollution, terrorism, and flooding. Mr. Craig reported that the Pool is self-insured for floods and has blanket coverage built in for pollution and terrorism. There is no coverage for any associated fines or penalties.

There were no additional questions or comments. The Chairman thanked Mr. Craig for his participation.

At 7:10 p.m., the Chairman requested a brief recess.

At 7:17 p.m., the meeting reconvened and the Chairman moved to the Board Reports.

Board Reports

A. Chairman's Report

The Chairman noted the Home Owners Association (HOA) handout under Tab 1. He requested that each Board member attend a meeting of their individual HOA and choose one from the list. The purpose is to engage the HOAs, introduce AlexRenew, and report on sewer and Combined Sewer Overflow (CSO) discussions. Members will periodically report on their meetings during the Chairman's Report. A list of HOAs and Board member assignments are attached.

B. Vice Chairman's

Nothing to report.

C. Finance and Audit Committee Report

Mr. Johnson requested that a meeting of the Finance and Audit Committee be held this summer to review the FY18 Preliminary Capital and Operating Budget. Ms. Pallansch reported that she would reach out to the members and schedule a meeting.

There were no additional questions or comments, and the Chairman moved to the Governance Committee report.

D. Governance Committee

Nothing to report.

The Chairman moved to the CEO Reports and Recommendations.

CEO's Reports and Recommendations

A. Consideration of May 2017 Financial Report

Mr. Dickinson inquired on the reduction of payments to Arlington County. Ms. Pallansch reported that the reduction is due to staffing and organizational changes in addition to reduced rainfall for the month. Mr. Johnson inquired about the 2% decrease in revenue from 2016. Ms. Pallansch reported that this is due to lower flows. The lower flow rate is leveling off and not a downward trend. Cash reserves remain steady for the month.

B. CEO Monthly Report (May)

Ms. Pallansch reported on her written CEO Report and inquired if members had questions or comments. She referenced documents from the Metropolitan Washington Council of Governments Chesapeake Bay Policy Committee (CBPC). The first document is the CBPC's Mid-Point Assessment of the Chesapeake Bay. She reported that the outcome of the Assessment could have an effect on how AlexRenew treats wastewater if other jurisdictions do not meet their goals.

Other documents reviewed included a chart of stormwater fees and tax rates of local jurisdictions. Ms. Pallansch also reviewed highlights of the CBPC tour of the Breewood Tributary Restoration in Maryland.

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

Consent Docket

Mr. Hill inquired whether members had questions or comments on the Minutes of the May meeting. Board members reviewed the minutes and requested that Mr. Nick Kuttner from the Potomac River Keepers be added to the list of guests. With that amendment, Mr. Dickinson moved approval and Mr. Beall provided the second. The Board unanimously approved the Consent Docket which contained:

A. Minutes of the May Board Meeting

There being no further questions, the Chairman moved to Unfinished Business.

Unfinished Business

A. Review and Discuss FY2018 Preliminary Draft Budget

Ms. Pallansch reported that discussions between the City of Alexandria and AlexRenew regarding the Combined Sewer Overflow (CSO) issue were progressing. AlexRenew will not be reviewing the Alternate Budget as it is not supported by the current rate structure.

Ms. Pallansch distributed revisions to the FY2018 Preliminary Budget for Board review. Revised pages included the Fairfax County Revenue, General Fund, Project Fund, Joint Project Fund Summary Sources of Revenue, the 10-Year Capital Improvement Program, Joint Wet Weather Solution (003/004), and Upper

Holmes Run Trunk Sewer Rehabilitation, and Fairfax Holmes Run Trunk Sewer.

Mr. Hill inquired about full time equivalents (FTEs); Ms. Pallansch reported that an increase in staffing will be required to complete CSO Outfalls 003 and 004. The Board complimented the CEO on the clarity and format of the budget document. Ms. Pallansch reported that she uses the City's budget document as a guide. She further noted that Board members will be approving the budget for public hearing and public notice in July. The notice will be posted in the Alexandria Gazette in late July and early September.

There being no additional questions or comments, the Chairman moved to New Business.

New Business

A. Review and Approve Resolution on Commonwealth of Virginia Drinking Water and Wastewater Professionals Day

Discussion

Ms. Pallansch reported that in 2016 the Commonwealth of Virginia created Drinking Water and Wastewater Professionals Appreciation Day to be celebrated annually on June 30. June is also AlexRenew's Safety Month. Ms. Pallansch requested that the Board review and approve the Drinking Water and Wastewater Professionals Day resolution to be read at our annual safety luncheon at the end of the month.

The Chairman requested a motion to approve. Mr. Beall moved, and Mr. Dickinson provided the second. The Board unanimously approved.

B. Review and Approve a Resolution Authorizing Chief of Finance and Administration (CFA) on SunTrust Bank Documents

Discussion

Recent changes to finance personnel and position titles require an updated Board resolution designating officers of the Authority who may authorize transactions involving Authority bank accounts at SunTrust.

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

C. Closed Session for Consultation with Legal Counsel

At 8:05 p.m., the Chairman convened a closed session for consultation with legal counsel regarding specific legal matters requiring the provision of legal advice by such counsel and for discussion of the investment of public funds where bargaining is involved pursuant to Virginia Code Section 2.2-3711.A.(3).

At 8:45 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. Dickinson and seconded by Mr. Beall. All Members present voted via roll call:

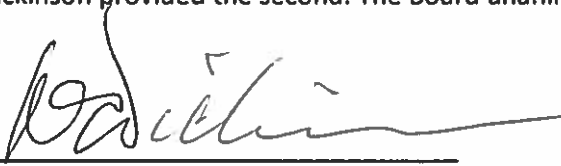
Mr. Hill	Aye
Mr. Johnson	Aye

Mr. Dickinson
Mr. Beall

Aye
Aye

There being no additional questions or comments, the Chairman requested a motion to adjourn. Mr. Beall moved, and Mr. Dickinson provided the second. The Board unanimously approved. The meeting adjourned at 8:47 p.m.

APPROVED:

A handwritten signature in black ink, appearing to read "Dickinson", written over a horizontal line.

Secretary-Treasurer