

Minutes of the 867th Meeting
“Celebrating Over 60 Years of Continuous Environmental Excellence”
Alexandria Renew Enterprises
6:00 p.m., Tuesday, June 18, 2019

On Tuesday, June 18, 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, Deputy General Manager, Engineering & Planning
Mr. Brian Mosby, Deputy General Manager, Operations & Maintenance
Ms. Lisa Van Riper, Director, Enterprise Communications
Ms. Christine McIntyre, Director of Finance
Ms. Felicia Glapion, Program Manager, III
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak
McGuireWoods, LLP

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

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

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. Mr. Rak reported that the Board did not need to hold a closed session. There being no additional questions or comments, the Chairman requested a motion to approve the agenda as amended. Mr. Dickinson moved and Mr. Beall provided the second. The Board unanimously approved.

Public Hearing

At 6:05 p.m., the Chairman called to order a hearing to receive comments on AlexRenew’s Draft Preliminary FY’20 Capital and Operating Budget. There were no members of the public in attendance and wishing to speak. The Chairman closed the public hearing and recognized Ms. Pallansch.

Ms. Pallansch introduced Ms. McIntyre who provided AlexRenew background information and history. She further reported on the transfer of the City of Alexandria's Combined Sewer Outfalls (CSOs) to AlexRenew with an estimated investment to remediate the outfalls of \$370 million to \$550 million.

Ms. Pallansch and Ms. McIntyre reviewed the drivers for AlexRenew's rate increases including power, new regulatory requirements generated by the RiverRenew program, equipment renewals and upgrades and the fluctuating price of chemicals. The proposed budget for FY2020 is \$91,367,412, which is a 9% increase over FY2019.

The Operating and Capital Budget is linked by category to the Board's Strategic Outcomes of Operational Excellence, Adaptive Culture, Watershed Partnerships, Public Engagement and Trust; and Effective Financial Stewardship.

Members inquired about expense decreases in Watershed Partnerships, and requested further clarification about the combined sewer outfalls, interceptors and tunnels.

The Chairman commended staff on the budget presentation. He requested a motion to approve the FY2020 Operating and Capital Budget. Mr. Beall moved and Mr. Dickinson provided the second. The Board unanimously approved.

There were no additional questions or comments and the Chairman moved to the Consent Calendar.

Consent Calendar

A. Review and Approve Minutes from the May 21, 2019 Board Meeting

Mr. Hill requested that members review the Minutes of the May 21 meeting and inquired if they had questions or comments.

There were no edits to the Minutes. Mr. Dickinson moved approval and Mr. Beall provided the second. The Board unanimously approved.

B. Review and Approve Contract Award for Process Air Compressors (PAC)

Discussion

AlexRenew conducted solicitations using the Competitive Sealed Bidding procurement process as defined and authorized in the Virginia Public Procurement Act § 2.2-4302.1. AlexRenew issued ITB No. 19-041 on April 16, 2019 and received eight (8) bids on June 12, 2019. American Contracting and Environmental Services, Inc. is the apparent lowest responsive and responsible bidder.

This Contract allows AlexRenew to obtain a contractor to construct the Process Air Compressor System Upgrade Project. This work will support the renewal of the Process Air Compressor System and allow for the reliable and efficient operation of the system to meet current and future treatment requirements.

Mr. Johnson requested clarification on the different PAC contracts. Ms. Maldonado reported that the October contract approval was for the long lead items related to the PAC blower system.

There were no additional questions or comments. The Chairman requested a motion to approve. Mr. Johnson moved approval and Mr. Beall seconded. The Board unanimously approved.

Be It Resolved That: the Board authorizes the CEO to execute a contract with American Contracting and Environmental Services in the amount of \$14,430,000 for construction of the Process Air Compressor System

C. Review and Approve a Task Order for Professional Services Agreement for AlexRenew's Liquids, Solids, and Sidestream Treatment Processes

Discussion

Construction of the Process Air Compressor System Upgrade (PAC) Project is scheduled to begin in FY 2020. HDR is the Engineer of Record for the PAC project and is best equipped to provide Engineering Services during construction.

The Chairman inquired if members had questions or comments. There being none, he requested a motion to approve the Task order for professional services. Mr. Johnson moved and Mr. Dickinson provided the second. The Board unanimously approved

Be It Resolved That: the Board authorizes the CEO to execute a Task Order for Professional Services for the PAC with HDR Engineering in an amount not to exceed \$694,138 for a duration of 20 months.

There being no additional discussion, the Chairman moved to New Business.

New Business

A. Review and Approve Contract Award for RiverRenew Building J Facilities Relocation and Decommissioning

Discussion

AlexRenew conducted solicitations using the Competitive Sealed Bidding procurement process as defined and authorized in the Virginia Public Procurement Act § 2.2-4302.1. AlexRenew issued ITB No. 19-064 on April 16, 2019 and received two bids on May 28, 2019. Clark Construction Group, LLC is the lowest responsive and responsible bidder.

This contract allows AlexRenew to relocate critical process support and laboratory functions from Building J to Buildings G/1 and G/2 to facilitate the overall RiverRenew strategy.

Ms. Pallansch reported that Ms. Maldonado was available to answer or clarify information for the Board. Mr. Hill inquired whether the lab would be out of commission during the move. Ms. Maldonado reported that all critical functions of J Building and the plant will be moved and there will be no disruption in service.

Mr. Beall inquired whether loss of power would happen. Ms. Maldonado reported that due to scheduling and sequencing, this would not be a problem.

There were no additional questions or comments and the Chairman requested a motion to approve the contract. Mr. Beall moved and Mr. Johnson seconded. The Board unanimously approved.

Be It Resolved That: the Board authorizes the CEO to execute a contract in the amount of \$19,589,740 with Clark Construction Group, LLC for Building J Facilities Relocation and Decommissioning.

B. Review and Approve Contract Award for Agreement for Wastewater Services Resident Engineering and Inspection

Discussion

AlexRenew issued RFP-19-031, conducting the solicitation as a competitive negotiation in accordance with Virginia Code § 2.2-4302.2. AlexRenew received four (4) proposals and shortlisted three (3) respondents to interview. After proposal evaluations and interviews, Hazen and Sawyer, P.C. ranked as the most qualified offeror for this solicitation.

Members inquired about the role of the Resident Engineering & Inspector (RE&I) and whether their subject matter experts are available for other AlexRenew projects. Ms. Pallansch reported that only work that is specified in their contract is performed.

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

Be It Resolved That: the Board authorizes the CEO to execute a contract in an amount not to exceed \$2,907,309 for wastewater Resident Engineering and Inspection services with Hazen and Sawyer.

C. Review and Approval of Amendment 3 to the Professional Services Agreement for RiverRenew Owner's Advisor Consulting Services

Discussion

AlexRenew is managing RiverRenew, a major infrastructure program to control the discharge of combined and sanitary sewer overflows to Alexandria's waterways. Moving into FY2020, the third year of the program, RiverRenew will be shifting gears from the Planning Phase to the Design Phase focusing heavily on permitting, community outreach and engagement, and construction management oversight while finalizing the Request for Proposal (RFP) for procurement of a design-build team. The scope of services for Amendment 3 considers AlexRenew's ownership of the existing combined sewer outfalls and continued execution of RiverRenew by AlexRenew as the sole owner of the program. Amendment 3 services focus on Program Management, Finalization of the Planning Phase of the Program, Stakeholder Outreach and Engagement, Construction Management Oversight, Third Party Coordination, Site Investigations, Hydraulic Modeling, Geotechnical Exploration, Procurement including development and issuance of the Design-Build RFP, shortlisting Design-Build Teams, and proprietary meetings with shortlisted Design-Build Teams.

Ms. Maldonado reported that 2019-2020 will be a peak year for the RiverRenew program. Mr. Johnson inquired on subcontracting and Ms. Pallansch noted that there would be some subcontracting going on and that staff would keep the Board informed.

There were no additional questions or comments. The Chairman requested a motion to approve. Mr. Johnson moved and Mr. Dickinson seconded. The Board unanimously approved.

Be It Resolved That: the Board authorizes the CEO to execute Amendment 3 to the Owner's Advisor Scope of Services Contract in the amount of \$16,968,912.

D. Review and Approve a Task Order to Professional Services Agreement for Wet Weather Support Implementation, Engineering Services during Construction for Building J Facilities Relocation and Decommissioning

Discussion

The Building J Facilities Relocation and Decommissioning Project is scheduled to begin in FY19. Building J must be removed (and its functions relocated) to make room for infrastructure associated with the RiverRenew program. CH2M Hill, Engineers, Inc. is the Engineer of Record for the project and is best equipped to provide these services since they also provided the design services for the project.

There were no additional questions or comments and the Chairman requested a motion to approve. Ms. Johnson moved and Mr. Beall provided the second. The Board unanimously approved.

Be It Resolved That: the Board authorizes the CEO to execute a task order in an amount not to exceed \$885,963 for a duration of 21 months with CH2M Hill Engineers.

E. Review and Approval of VRA Series 2019 Bond Resolution (Alexandria Only)

Discussion

The Fiscal Year 2020 budget included this debt issuance and incorporated its preliminary structure into the debt schedules provided in the budget document. The projects being funded by the Series 2019 Bonds were included in the Fiscal Year 2020 budget within the Capital Improvement Program under the heading WRRF Improvements. These projects consist of the replacement of process air compressor blowers and other plant improvements that are needed to prepare the facility for the RiverRenew program. The proceeds will likely be spent entirely on the replacement of the process air compressor blowers, but AlexRenew will reserve the flexibility to spend the proceeds on other projects within the WRRF Improvements category if needed.

Members inquired about the length of the bonds and interest rate. There were no additional questions or comments. Mr. Johnson moved approval and Mr. Dickinson seconded. The Board unanimously approved.

Be It Resolved That: the Board approved the following Bond Resolution to issue the Series 2019 Bond through the Virginia Clean Water Revolving Loan Fund (VCWRLF)

There being no additional discussion, the Chairman moved to the Board Strategic Roundtable.

Board Strategic Roundtable – Member and Committee Reports

CSO Workgroup – Ms. Pallansch

Ms. Pallansch reported that the next meeting of the workgroup is Wednesday, July 24, at 5:00 p.m. at AlexRenew. She further reported that AlexRenew had received the Environmental Assessment (EA) from the National Park Service. A press release will be posted to the AlexRenew website.

Mr. Hill inquired if any of the group had made contacts.

Federation of Citizen Associations – Mr. Dickinson

Mr. Dickinson reported that he attended a meeting of the Federation. Staff from City of Alexandria Planning and Zoning and RiverRenew staff attended. Also attended and provided an overview of the RiverRenew project that would be presented to City Council at their July meeting. Little interest was expressed by Federation members.

Old Town Civic Association – Mr. Dickinson

Mr. Dickinson attended a meeting. He reported that they were interested in the National Park Service Environmental Assessment review's process meetings with impacted residents.

Ms. Pallansch commended RiverRenew staff for their work with the National Park Service.

Del Ray – Mr. Beall

Nothing to report.

Chamber of Commerce – Ms. Pallansch

Nothing to report.

Chesapeake Bay Citizens Advisory Group – Mr. Dickinson

Mr. Dickinson reported on six Watershed Implementation Plans (WIPs) from the signatory states and District of Columbia presented to EPA for approval. An additional WIP was presented for the Conowingo Dam in Maryland.

He reported that the wastewater industry provided comments on the WIP.

Finance & Audit Committee – Mr. Johnson

Board of Directors passed the FY20 Operating and Capital Budget.

Governance Committee

Nothing to report.

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

CEO's Reports and Recommendations

A. Consideration of May 2019 Financial Report

Ms. McIntyre reviewed the financials noting reserves are steady and debt coverage is good.

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

B. CEO Monthly Report (May)

Ms. Pallansch noted her written report and reviewed the Environmental Assessment. Once the NPS issues the EA, the 30-day comment period begins. She expects the DSUP documents in August.

She noted that community listening sessions continue and recommended that members attend the Tuesday, July 9, City Council meeting.

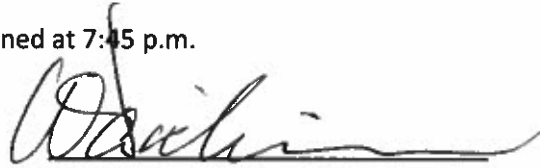
Ms. Pallansch reported that PRMG, AlexRenew's rate consultant, was sold to Raftelis. She distributed AlexRenew's updated bill and requested Board feedback by Friday, June 21. Mr. Beall suggested providing additional information on AlexRenew on the invoice. Mr. Johnson recommended editing the web address on the bill to remove the word "today" to avoid confusion.

RiverRenew Dashboard

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

The meeting adjourned at 7:45 p.m.

APPROVED:

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

Secretary-Treasurer