

Minutes of the 847th Meeting
"Celebrating Over 60 Years of Continuous Environmental Excellence"
Alexandria Renew Enterprises
6:00 p.m., Tuesday, September 19, 2017

On Tuesday, September 19, 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. Bruce Johnson, Vice Chairman
Mr. William Dickinson, Secretary-Treasurer
Mr. James Beall, Member
Ms. Patricia Turner, Member

Excused: Mr. John Hill, Chairman

Staff: Ms. Karen Pallansch, Chief Executive Officer
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

Visitors: Mr. Will Schafer, HDR Consulting
Ms. Laurissa Cubbaye, HDR Consulting
Mr. Trent Stober, HDR Consulting
Mr. Jeff Eger, HDR Consulting
Ms. Angelina Twumasi-Boakye, Hazen and Sawyer
Mr. Kevin Dill, AECOM

Call to Order

Reporting that the Chairman Hill is unable to attend the meeting, the Vice Chairman called the meeting to order at 6:08 p.m.

Approval of the Agenda

Mr. Johnson requested that members review the revised agenda which included a closed session. He inquired if they had any questions or changes. No changes were offered and he requested a motion to approve the agenda. Mr. Dickinson moved approval and Mr. Beall provided the second, the Board unanimously approved the revised agenda.

Public Hearing – FY18 Operating and Capital Budget

At 6:10 p.m., Mr. Johnson opened a public hearing to receive comments on and approve AlexRenew's draft FY18 Preliminary Operating and Capital Budget. The Vice Chairman inquired whether AlexRenew had received any written comments from the public. There being no comments received, he requested comments from members of the public in attendance. There were no members of the public in attendance who wished to speak. Mr. Johnson recognized Mr. Schemmel, who reviewed the FY18 draft Operating and Capital Budget. (See attached presentation)

Mr. Schemmel reported that early in the FY18 budgeting process, AlexRenew had two budgets: One included capital costs for all Combined Sewer Overflows (CSO); the other was for work involving CSOs 003 and 004 only. The Board approved the latter for public notice and hearing.

Mr. Schemmel reviewed the goals of the AlexRenew budget, indicating that they align with the Board's 2040 Vision and Strategic Outcomes. AlexRenew's investment priorities are regulatory compliance, operational efficiency, business resiliency, fiscal stability, and community education and advocacy.

AlexRenew's rates support wastewater collection, treatment, and disposal. Rates effective on October 1, 2017 include an increase in the residential base charge to \$9.61. This represents a \$0.62 increase from FY 2017. There was no increase to the treatment charge. Commercial customers received an increase based on meter size. The net percentage rate change for residential and commercial customers was 1.5%.

The total FY18 budget is \$75.14 million over expenses of \$70.41 million; this is a 4.4% increase year-over-year from 2017. The largest increases are to: Watershed Partnerships -- 11.5%, reflecting increased payments to Arlington County; Community Benefit -- 5%, reflecting escalated billing and collection costs; and New Ideas and Innovations -- 10%, reflecting increases in quality control costs.

Mr. Schemmel also reviewed the proposed capital investment programs for Improvements, Renewals and Replacements (IRR), as well as Joint and AlexRenew Capital projects.

Board members inquired about the increase in Watershed Partnerships, staffing levels, health insurance, AlexRenew's FY19 rate study, the bi-annual compensation study, and the customer service increases. Mr. Schemmel and Ms. Pallansch reported that the increase in Watershed Partnerships was in large part due to increased payments to Arlington County. Staffing levels are expected to remain stable. The bi-annual compensation study will take place in the January-February time frame. The current vendor for the compensation study is Titan Gallagher. Staff will evaluate whether to use the same vendor for the upcoming study or consider others. AlexRenew has been pleased with the service provided by Great Cincinnati Water Works (GCWW) and is updating the Memorandum of Understanding (MOU) with the outcome of eventually moving to electronic billing.

Mr. Johnson and Mr. Dickinson asked clarifying questions about AlexRenew's joint capital projects. Mr. Johnson requested a summary of the Ten-Year CIP. The summary page was noted as part of the budget book. Mr. Schemmel and Ms. Pallansch reported that there are many unknown factors regarding the Ten-Year CIP, and the values are conceptual but sound and have built in resiliency.

Mr. Johnson inquired whether staff or Board members had additional questions or comments. There being no additional questions or comments, the Vice Chairman requested a motion to approve the FY18 Operating and Capital Budget. Mr. Beall moved and Mr. Dickinson provided the second. The board unanimously approved.

At 7:00 p.m., the Vice Chairman closed the public hearing. (See attached Final Budget)

The Vice Chairman then moved to the Board Reports.

Board Reports

A. Chairman's Report

Nothing to report.

B. Vice Chairman's

Nothing to report.

C. Finance and Audit Committee Report

Nothing to report.

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 July & August 2017 Financial Reports

Ms. Pallansch reported that revenues and expenses will meet or be below the budget. Board members inquired about why expenses were below budget. Ms. Pallansch answered that the situation is due to some capital projects not coming online. In operations, Ms. Pallansch noted that there were no significant weather events, and flows were down.

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

B. CEO Monthly Report (July/August)

Ms. Pallansch noted her written CEO Report and inquired if members had questions or comments. Mr. Beall reported that he liked the Moxie Hour idea. Ms. Pallansch reported that additional events are being held in the 6th floor spaces in October and November including the Chesapeake Bay Foundation Breakfast on October 10th and the City Council Retreat on November 4th.

Ms. Pallansch distributed the Alexandria Chamber of Commerce Legislative Summit handout for the Board's review. She also reviewed the Board's Governance notebook that contains bylaws and policies. She requested that members review the policies and make suggestions for revisions; suggestions will be discussed at the October meeting, which also serves as the Board Annual meeting and election of officers. Mr. Rak will be providing a legal briefing at the meeting, as well.

Ms. Pallansch noted the Homeowner Association (HOA) assignments list. She asked that members review the list for accuracy. Mr. Dickinson reported he had attended the Seminary Hill Association meeting in the past month. Mr. Johnson requested that the Board review the list and volunteer for HOAs that are currently without a Board contact. Listed below are the complete assignments:

HOA	Contact
Alexandria Federation of Civic Associations	Bill Dickinson
Arlandria Citizens Assoc.	John Hill
Del Ray Citizens	Jim Beall
Hume Springs	Jim Beall
North Old Town Independent Citizens Assoc.	Patti Turner
North Ridge Citizens Assoc.	Bruce Johnson
Old Town Civic Assoc.	Bill Dickinson
Parkfairfax Unit Owners	Bruce Johnson
Rosemont Citizens Assoc.	John Hill
Seminary Hill Assoc.	Bill Dickinson
Seminary West	Bill Dickinson
Taylor Run Citizens	John Hill
Upper King Street	Patti Turner
Wakefield-Tarleton	Bill Dickinson
Brookeville Seminary Valley	Bruce Johnson

Mr. Johnson suggested that members could visit their HOA assignment's websites and subscribe to their newsletters and listservs. Ms. Turner inquired if water issues were prominent at HOA meetings. Mr. Dickinson reported that issues with water rarely come up; however, with the Combined Sewer Overflow (CSO) issue and new stormwater tax, that will probably change. He further noted that there is still a lack of understanding with the citizens of the roles of the City of Alexandria and AlexRenew. Ms. Pallansch asked that if members came across issues on the listservs, please send them to her so that staff can prepare consistent responses.

Mr. Johnson inquired whether Fairfax County Supervisors had approved the cost share framework agreements. Mr. Mohsenin reported that the Board of Supervisors has requested a meeting on the topic. It will be on their agenda in October.

Mr. Johnson requested an update on the Chesapeake Mid-Point assessment and the LEED status of the Environmental Center. Ms. Pallansch reported the assessment was in the beginning stages and would not be completed until 2019. Ms. Pallansch is getting confirmation of the building's LEED status. She expected that LEED approval would be in a few months.

Ms. Pallansch reported that the September CSS Stakeholder meeting will be delayed until October. Board members inquired about events at the Four Mile Run to highlight the educational fence. Additionally, it was requested that the fountain and field be highlighted with additional signage. Mr. Dickinson suggested using the Zebra Press for advertising. Staff is familiar with the publication and has used them in the past for events. Staff will explore using additional signage to highlight the facilities where appropriate. Ms. Pallansch noted that Alexandria Parks and Recreation Department promotes the athletic field.

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

Consent Docket

Mr. Johnson asked if members had questions or comments on the Minutes of the July meeting. There being no questions or comments, the Vice Chairman requested a motion to approve the Minutes. Mr. Dickinson moved approval and Mr. Beall provided the second. The Board unanimously approved the Consent Docket which contained:

A. Minutes of the July Board Meeting

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

Unfinished Business

A. None

There being no unfinished business, the Vice Chairman moved to New Business.

New Business

A. Closed Session

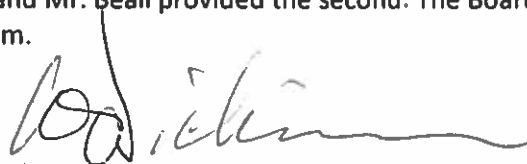
At 7:21 p.m., the Vice Chairman requested a motion to go into closed session to discuss investing of public funds where competition or bargaining is involved, where, if made public initially, the financial interest of the governmental unit would be adversely affected pursuant to Virginia Code Section 2.2-3711.A.(6). Mr. Dickinson moved and Mr. Beall provided the second. The Board unanimously approved.

At 9:02 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. Beall and seconded by Mr. Dickinson. All Members present voted via roll call:

Mr. Johnson	Aye
Mr. Dickinson	Aye
Mr. Beall	Aye
Ms. Turner	Aye

There being no additional questions or comments, the Vice Chairman requested a motion to adjourn. Ms. Turner moved, and Mr. Beall provided the second. The Board unanimously approved. The meeting adjourned at 9:02 p.m.

APPROVED:



Secretary-Treasurer