

Minutes of the 863<sup>rd</sup> Meeting  
***“Celebrating Over 60 Years of Continuous Environmental Excellence”***  
Alexandria Renew Enterprises  
6:00 p.m., Tuesday, February 19, 2019

On Tuesday, February 19, 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. James Beall, Member  
Ms. Patti Turner, Member

Excused: Mr. William Dickinson, Secretary-Treasurer

Staff: Ms. Karen Pallansch, Chief Executive Officer  
Ms. Lisa Van Riper, Director, Enterprise Communications  
Ms. Christine McIntyre, Director of Finance  
Ms. Caitlin Feehan, Program Manager, RiverRenew  
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak  
McGuireWoods, LLP

Consultants: Mr. Jeff Theerman, Brown & Caldwell  
Mr. Justin Carl, Brown & Caldwell  
  
Mr. Rob Ori, Principal, PRMG, Inc.  
Mr. Thierry Boveri, Senior Analyst, PRMG, Inc.

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 6:07 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. Ms. Turner 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.

### Closed Session

At 6:08 p.m., the Chairman moved to enter a closed session for discussion or consideration of real property acquisition for public purposes, or the disposition of publicly held property where discussion in an open meeting would adversely affect the bargaining position of the public body. Mr. Hill moved and Mr. Beall provided the second. The board unanimously approved.

At 6:24 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. Hill and seconded by Mr. Johnson. All Members present voted via roll call:

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

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

### Consent Calendar

#### A. Review and Approve Minutes from the January 15, 2019 Board Meeting

Mr. Hill requested that members review the Consent Calendar. There were no changes. Mr. Beall moved approval and Ms. Turner seconded. The Board unanimously approved the Consent Calendar.

### New Business

#### A. Review and Approve Tunnel Names for RiverRenew

##### Discussion.

As part of our public engagement, the RiverRenew team invited the community to submit ideas for new tunnel names, to make it easier to reference the 001/2 and 003/4 tunnels. These names will be used with the community at meetings and events and with potential contract documents. The tunnel names will be recorded in permits, drawings and GIS. To effectively communicate these across these diverse stakeholder groups, the intention of the names was to reflect the outcomes of RiverRenew and geography of Alexandria. The tunnel naming contest was closed in December 2018 with 100 submissions of names from community members. Staff narrowed the submissions to a list that best presented the Program's communication needs and selected a final recommendation.

The names Waterfront Tunnel and Hooffs Run Diversion Sewer effectively communicate both the geographic location of each component of the tunnel system while highlighting the waterbodies that the RiverRenew program is focused on restoring. Ms. Pallansch reported that the selection committee avoided first names and focused on location for easier reference. Members concurred. The board unanimously approved the new tunnel names as recommended by staff.

**B. Review and Approve revised language for the Ellen Pickering Award**

Discussion

For the past decade, AlexRenew has partnered with the City of Alexandria Environmental Policy Commission to award the Ellen Pickering Environmental Excellence Award. This annual award program selects and formally recognizes outstanding citizens or groups who have demonstrated a commitment to protecting the natural environment and promoting environmental stability.

Adoption of the term “climate change mitigation” reflects a demonstrable commitment to protect the natural environment and promote environmental sustainability within the City of Alexandria. The term is already accepted and reflected in a number of city-wide initiatives. Climate change is acknowledged as an emerging threat under the Eco-City Alexandria Charter’s guiding principles. Furthermore, the City addresses the issue of climate change challenges and opportunities in the Environmental Action Plan 2030 (EAP).

If accepted, inclusion of the term “climate change mitigation” would be adopted into the second paragraph of the nomination package, in the applicable subjects of the nomination package and on the Alexandria City website featuring the Ellen Pickering award.

Ms. Pallansch reported that there was no controversy related to the language update. It was approved by the Environmental Policy Committee and is part of the City’s Eco Charter. The new language will show up for the 2020 award season. There were no additional questions or comments, Mr. Beall moved approval and Ms. Turner seconded. The Board unanimously approved.

**C. Request for Board Member Participation on the Ellen Pickering Award Selection Committee.**

Discussion

For the past 10 years, AlexRenew and the City of Alexandria Environmental Policy Commission partnered to award the Ellen Pickering Environmental Excellence Award. This annual award program selects and formally recognizes outstanding citizens or groups who have demonstrated a commitment to protecting the natural environment and promoting environmental sustainability within the City of Alexandria. The award selection committee is made-up of a member of Ms. Pickering’s family, a member of the AlexRenew Board, a member of AlexRenew staff, and two members of the Environmental Policy Commission. Board members who have served on this committee recently include John Hill (2015-2017) and Patti Turner (2018).

Members were familiar with the Ellen Pickering Award Selection Committee. Mr. Beall nominated Ms. Turner for 2019. Ms. Turner accepted and reported that she is looking forward to participating.

There were no additional questions or comments. The Chairman moved to the Board Roundtable.

**Board Strategic Roundtable – Member and Committee Reports**

**CSO Workgroup – Mr. Hill**

Mr. Hill reported that the next CSO Workgroup meeting is Wednesday, February 20, at 5:00 p.m. at Alexandria Renew.

**Del Ray Citizens Association – Mr. Beall**

Mr. Beall reported that he attended the meeting of the Del Ray Citizens Association. The topic was the Amazon move to Arlington.

Alexandria Chamber of Commerce – Ms. Turner

Nothing to report.

Finance and Audit Committee – Mr. Johnson

Mr. Johnson reported on the February 14 Finance and Audit Committee meeting. The Committee and Mr. Dickinson reviewed various scenarios for raising rates to recover the project cost of the RiverRenew program. Mr. Hill suggested highlighting presentation slides that deserve special attention and provide pertinent information to review with Ms. Turner.

The Chairman recognized Mr. Theerman and Mr. Ori. They briefly reviewed the rate analysis and time line providing key dates for Board action. Additionally, Mr. Theerman and Mr. Ori reviewed the tenets of AlexRenew's rate policy: Fiscal Responsibility, Transparency, Compassion, and Diligent Planning and Projections.

The three options presented were Option 1, 100% of cost recovery through increase in base charge; Option 2, 100% of cost recovery through increase in flow charge; and, Option 3, 100% of cost recovery through combined base and flow charge increase. Staff recommended using Option 3 as this method provided the most equity across the City of Alexandria ratepayers. Additionally, staff recommended the rate increase be effective for 2 years (2020, 2021). Members of the committee reviewed the outcomes and concurred with staff recommendations.

Ms. Pallansch requested that members review and adopt the attached Board Rate Resolution. The increase in both the base charge and the flow charge encompass the points in the Resolution. Mr. Johnson requested additional information on the effects that the rates would have on residents in apartments and condominiums. He further requested that the presentation be more descriptive.

The rate increase would go for two years and the Board will vote at the public hearing which staff recommends for Saturday, May 11, at AlexRenew.

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

**Alexandria Renew Enterprises Board of Directors  
Resolution on Rate Adjustment Principles**

**WHEREAS** Alexandria Renew Enterprises will continue to manage its operations and capital improvement budgets to ensure the sustainability of our operations; and

**WHEREAS** It is essential to ensure stakeholder understanding and engagement in rate setting actions; and

**WHEREAS** Alexandria Renew Enterprises rates should be developed so that they are described in straight-forward language, free of technical terminology, that can be readily understood by the public; and

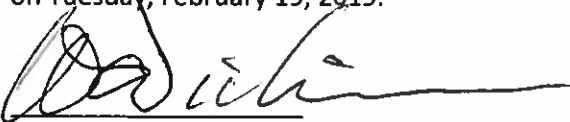
**WHEREAS** To ensure financial strength that benefits our customers and community, Alexandria Renew Enterprises will plan for rate adjustments that create revenue stability and predictability; and

**WHEREAS** Alexandria Renew Enterprises will continue to partner with the City of Alexandria to provide best-in-class wastewater collection and treatment services, compliant with environmental requirements, at a reasonable cost to all our customers;

**NOW, THEREFORE**, The Board of Directors of Alexandria Renew Enterprises do hereby adopt the following principles for the development and consideration of rate changes.

1. Recovering our cost of service, with reasonable reserves, will be the foundation of our rate and fee design. Rate structures will be created to ensure that revenue is sustainable and predictable thereby satisfying rating agencies such that Alexandria Renew Enterprises maintains fiscal sustainability.
2. Alexandria Renew Enterprises will provide appropriate public notice of any rate changes that are contemplated by the board in a manner and with sufficient notice to allow for public participation. Our rates and rate change communications will be presented in a straightforward manner ensuring complete understanding by customers and stakeholders.
3. Our billing policies and procedures will allow for payment flexibility to assist those facing financial hardships while maintaining necessary and equitable revenues, within the restrictions of applicable Virginia Laws.
4. Notwithstanding situations beyond our control, Alexandria Renew Enterprises will diligently plan and project budget and capital requirements such that year to year rate adjustments do not impose drastic rate increases that unduly burden its customers.

The foregoing Resolution was adopted by the Alexandria Renew Board of Directors at its regular meeting held on Tuesday, February 19, 2019.



Board Secretary

There were no additional questions or comments.

#### Governance Committee

Nothing to report.

#### CEO's Reports and Recommendations

##### A. Consideration of January 2019 Financial Reports

Ms. Pallansch recognized Ms. McIntyre, Director of Finance. She reported that revenue and expenditures were behind slightly.

##### B. CEO Monthly Report (January)

Ms. Pallansch noted her written report and inquired if members had questions. There being none, she noted the Final version of the Comprehensive Annual Financial Report (CAFR) and related documents. She further reported there was nothing new on RiverRenew program. The Federal government shutdown did have an impact on the schedule, but we will not know the extent of the delay until later. There were two bid openings this afternoon but Ms. Pallansch was not aware of the results.

Ms. Pallansch reported average daily flow into the plant between 33-35 MGD during October through

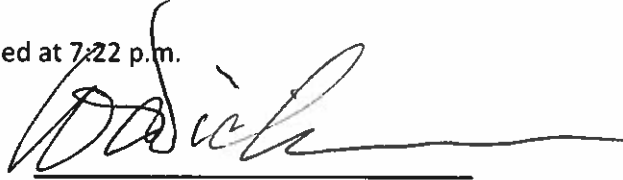
December. January's flow included significant rain events and snowmelt.

Mr. Johnson inquired if AlexRenew had any borrowings scheduled. Ms. Pallansch reported not so far.

There were no additional questions or comments and Chairman requested a motion to adjourn. Ms. Turner moved and Mr. Beall seconded. The Board unanimously approved.

The meeting adjourned at 7:22 p.m.

**APPROVED:**

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

**Secretary-Treasurer**