

Minutes of the 854<sup>th</sup> Meeting  
*“Celebrating Over 60 Years of Continuous Environmental Excellence”*  
Alexandria Renew Enterprises  
6:00 p.m., Tuesday, April 17, 2018

On Tuesday, April 17, 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  
Mr. Steve Schemmel, Chief of Finance and Administration  
Ms. Liliana Maldonado, Director of Wet Weather Program  
Ms. Caitlin Feehan, Project Manager  
Ms. Lorna Huff, Secretary to the Board

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

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

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 revised agenda and inquired if there were changes. There was no new information to review and Mr. Rak recommended cancelling the closed session. The Board concurred. There were no objections to the Agenda as revised and the Chairman requested a motion to approve the agenda. Mr. Beall moved approval and Mr. Dickinson provided the second, and the Board unanimously approved the revised agenda.

Public Discussion Period

There being no members of the public in attendance and wishing to speak, the Chairman closed the public comment period.

Board Strategic Roundtable Reports

The Chairman noted the April 5<sup>th</sup> Stakeholder Meeting and reported the following observations:

- Option B+ exceeds regulatory compliance standards by over 10%
- A City-wide study and review of budgetary commitments are factors for determining the use of green infrastructure for the Wet Weather Program
- Council will vote on outfall transfer to AlexRenew at the next City Council meeting

Board members and representatives discussed a variety of topics including quotas and preferences for local vendors, and the reasoning for the expenditures of funds to exceed regulatory requirements. Ms. Pallansch reported that the Environmental Policy Commission (EPC) had submitted comments on the Long Term Control Plan Update (LTCPU) and endorsed Option B+ for the Wet Weather Program.

Ms. Pallansch noted her draft letter to City Council endorsing Option B+ for the Wet Weather Program. She requested that Board members review and send their comments by Wednesday, April 18<sup>th</sup>. The letter will be signed by the Chairman and sent to City Council. There being no additional questions or comments, the Chairman moved to the General Member Updates.

#### General Member Updates

##### Community Updates

The Chairman reviewed the Home Owners Association (HOA) calendars. He reported that the handouts related to member community updates were helpful and requested that members report on contacts for the month.

Old Town Civic Association - Mr. Dickinson attended the meeting and noted that no City staff attended. The participants discussed the effect of the Wet Weather Program on homes located in the construction areas and using green infrastructure where possible.

Seminary Hill – Mr. Dickinson attended. He viewed a presentation on the Long Term Control Plan Update Program (LTCPU). Citizens understand that the City needs to implement the Wet Weather Program.

Northridge Citizens Association – Mr. Johnson reported that each of the City Council candidates attended the meeting and spoke for 2 minutes. Council candidates did not discuss Combined Sewer Overflows (CSO) and stormwater issues.

Del Ray Citizens Association – Mr. Beall reported that citizens were aware of the CSO issue and were concerned about the effect of CSO and stormwater fees on lower income citizens.

West Old Town Civic Association – The Chairman attended and commended Ms. Pallansch on her presentation.

Potomac Watershed Roundtable – Mr. Dickinson and the CEO attended the Potomac Watershed Roundtable held at AlexRenew. Meeting participants also toured the AlexRenew facilities.

##### Chesapeake Bay Citizens Advisory Group

Mr. Dickinson reported that the group met with Secretary of Natural Resources, Matt Strickler, to review Best Management Practices (BMP) for stormwater.

The Chesapeake Advisory Group will meet again on May 22-23. The group continues to focus on community outreach.

#### Finance & Audit Committee

Mr. Johnson reported that the next scheduled Finance and Audit Committee will be held on June 18. The Committee will review the budget and discuss rates. Ms. Pallansch requested that the rate discussion be tabled until more concrete information regarding the Wet Weather Program costs were available.

#### Governance Committee

Nothing to report.

### CEO's Reports and Recommendations

#### A. Consideration of March 2018 Financial Report

Members reviewed the March financial report noting that debt service coverage and cash reserves remain positive. Expenditures are below budget but are expected to adjust later in the year.

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

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

Ms. Pallansch, along with the Wet Weather Team, gave the Stakeholders presentation at Alexandria House in April. She noted that Agnes Artemel, a member of the stakeholder group and community leader, arranged the meeting.

Ms. Pallansch noted an information survey performed by the National Association of Clean Water Agencies (NACWA) on rates by Region. The Chairman noted that use of service charges have increased across regions and water organizations among water agencies as a means of raising revenue for capital projects.

Ms. Pallansch recognized Ms. Susan Mitchell from AlexRenew's Owner Advisor Team to discuss AlexRenew's community outreach program for the Wet Weather Program. Ms. Mitchell noted that community outreach was an integral component of the Wet Weather Program. The goals are to safeguard AlexRenew integrity, be proactive with citizens, positively leave the City infrastructure in a better place than it was, and leverage our mutual experience and abilities with our City partners.

She further reviewed the political and construction impacts of the project and noted the preliminary schedule from regulatory compliance and approvals to completed construction. The City of Alexandria Engagement Handbook is used as a resource for public engagement on the Wet Weather Program. Outreach will be conducted across a wide range of citizen groups and federal, state and local agencies. AlexRenew has rolled out a website -- [www.wetweatherproject.com](http://www.wetweatherproject.com) -- as an informational source.

Members requested clarification on the location of tunnels, possible lane closures, wetland studies and

homeowner impacts.

Mr. Hill and Mr. Dickinson discussed focus group research that while expensive, can be very helpful with public engagement. Board members discussed the community outreach project and requested additional updates as the project progresses.

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

#### Consent Docket

Mr. Hill asked members to review the Minutes of the March meeting. The Chairman requested a motion to approve the Minutes. Mr. Johnson moved approval and Mr. Dickinson provided the second. The Board unanimously approved the Consent Docket containing:

A. Minutes of the March Board Meeting

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

#### Unfinished Business

A. None

There being no Unfinished Business, the Chairman moved to New Business.

#### New Business

A. Review and Approve Recommendation to Approve City and Alexandria Renew Outfall Transfer Agreement

##### **Discussion**

The City and AlexRenew agree that transferring the ownership of the CSO's to AlexRenew will provide the best approach to identifying the optimal solution to comply with the level of CSO and excess sanitary sewer flow controls and the CSO implementation schedule mandated by the State Legislature. The Transfer Agreement outlines the terms by which the City and Alexandria Renew agree to the transfer. The transfer will be of the outfall infrastructure and any rights needed to continue to locate the facilities on the City's property. This is a similar ownership structure to other AlexRenew facilities such as the Potomac Yard and Holmes Run Trunk sewers. AlexRenew will then be responsible for the financing, design, construction and operation of appropriate control facilities to meet the substantive control requirements and schedule dictated by the General Assembly as well as address the excess sanitary sewer issues emanating from both the City and County as required by the AlexRenew VPDES discharge permit. AlexRenew will also be responsible for the long-term maintenance of the outfall structures. The City's permit for the CSOs will be transferred by VDEQ to AlexRenew.

Land use approvals such as Development Special Use Permits and Building Permits will be required for the anticipated projects and the City will continue to have this regulatory review authority over the project. The Agreement includes a requirement for AlexRenew to continue community engagement during implementation of the project, in accordance with the City's approved Civic Engagement Handbook.

The Agreement includes mechanisms to continue collaboration between the City and AlexRenew throughout the process. A "Team Approach" is established to recognize the partnership between the agencies and facilitate approvals and implementation. This approach includes a regulatory team to expedite the City's regulatory approval process and a project coordination team to enable the City to provide input on the project development. Additionally, the agreement establishes an advisory work group made up of two members of City Council and two members of the AlexRenew Board. The advisory work group will review and guide the plans, implementation, costs and financing to minimize community impacts and maximize overall community benefits.

The transfer of the outfalls will occur after the follow actions:

- a. Execution of an amended and restated Service Agreement between the City and Alexandria Renew.
- b. Execution of an agreement between the City and Alexandria Renew allocating obligations for the Nine Minimum Controls required for the CSS ("NMC Agreement").
- c. Approval of an amendment to the Charter for Alexandria Renew to clarify that CSO Management is authorized and to extend the time of expiration of the Charter until 2068.
- d. Transfer of the existing permit or a reissued permit for the CSS based on the LTCPU, including the transfer of all CSO related waste load allocation from the Chesapeake Bay TMDL.
- e. Approval by the Planning Commission pursuant to Section 9.06 of the City Charter.
- f. Approval of the transfer of ownership by the City Council.
- g. Approval of the transfer of ownership by the Alexandria Renew Board, if required.

City council is scheduled to consider this Outfall Transfer Agreement at their April 24 legislative meeting. We are completing negotiation of the Service Agreement, NMC Agreement, and Charter amendment. If Council approves the Outfall Transfer Agreement, we expect City approval of items a, b, c, e and f in May or June. We will jointly pursue the transfer of the CSS permit and will seek VDEQ approval this summer.

Mr. Rak reviewed the Outfall Transfer Agreement and highlighted key provisions. He reported that the transfer of the outfalls to AlexRenew changes the mission of the organization. In Section 3, page 3 of 11, he reviewed the contingencies which included the completion of the City of Alexandria and Alexandria Renew Service Agreement and Approval of an Amendment of the Alexandria Renew Charter.

Board members inquired on the duration of the transfer agreement, the effect on AlexRenew's NACWA Platinum status, community outreach, and Fairfax County. Mr. Rak and Ms. Pallansch reported that the Outfall transfer agreement will be permanent. DEQ will additionally need to approve the transfer agreement pending approval by City Council. AlexRenew's Platinum status will not be affected as the CSOs will be on a separate Permit. This will be re-evaluated over time.

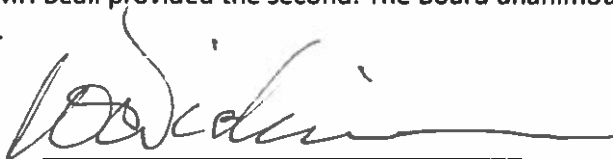
Mr. Rak requested that the Board endorse providing the CEO the flexibility to accept the Transfer Agreement with minor changes. Mr. Johnson requested that the word "minor" be changed to "non-substantive." Board members concurred. Mr. Rak had additionally, reached out to Ms. Turner who was absent and provided her endorsement of the Agreement prior to the Board meeting.

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

**Be It Resolved That:** The Board authorizes the CEO to enter into an Outfall Transfer Agreement outlining the process and terms by which the City will transfer the ownership of the CSO's to Alexandria Renew Enterprises consistent with the terms of the Agreement attached as Attachment 1 with authorization for the CEO to make non-substantive edits to the Agreement in consultation with legal counsel.

There being no additional questions or comments, the Chairman requested a motion to adjourn. Mr. Dickinson moved and Mr. Beall provided the second. The Board unanimously approved. The meeting adjourned at 8:27 p.m.

**APPROVED:**

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

**Secretary-Treasurer**