

Amended Minutes of the 858<sup>th</sup> Meeting  
*“Celebrating Over 60 Years of Continuous Environmental Excellence”*  
Alexandria Renew Enterprises  
6:00 p.m., Tuesday, September 18, 2018

On Tuesday, September 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  
Ms. Patti Turner, Member

**Excused:** Mr. James Beall, Member

**Staff:** Ms. Karen Pallansch, Chief Executive Officer  
Mr. Steve Schemmel, Chief of Finance and Administration  
Ms. Liliana Maldonado, Chief of Engineering and Planning  
Ms. Lisa Van Riper, Director of Enterprise Communications  
Ms. Caitlin Feehan, Program Manager, Wet Weather Program  
Ms. Lorna Huff, Secretary to the Board

**Owner’s Advisor:** Mr. Justin Carl, Project Manager, Brown and Caldwell  
Mr. Doug Chapin, Brown and Caldwell Owner Advisor Team

**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, Division Chief  
Sanitary Sewer Infrastructure Division

Call to Order

The Chairman called the meeting to order at 6:06 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. Mr. Dickinson moved approval and Mr. Johnson provided the second. The Board unanimously approved the agenda.

Public Hearing – FY19 Operating and Capital Budget

The Chairman opened a public hearing to receive comments on AlexRenew’s FY19 Operating and Capital Budget. There being no members of the public in attendance and wishing to speak, the Chairman closed the public hearing.

He recognized Ms. Pallansch who provided a presentation on the FY19 Proposed Operating and Capital Budget. Ms. Pallansch noted that there is no rate increase scheduled in FY19 (October 1, 2018 through June 30, 2019). AlexRenew aligns the Budget with its 2040 Vision and Strategic Outcomes. She reviewed the current rate

structure and the Operating Budget Detail noting the cost component summaries for Operational Excellence, Organizational Competency, Watershed Partnerships, Community Benefit, Revenue Stewardship and New Ideas and Innovation. The FY19 Budget was 2.2% above FY18.

She reviewed the Proposed Renewal and Replacement Budget noting the largest increase for FY19 will be in Joint IR&R with a \$1.62 million increase above FY18. She also discussed Joint Capital and Alexandria only Capital Projects. She welcomed Board members questions and comments.

Members questions included clarification on Pay-go funding, what comprises the AlexRenew's Revenue Stewardship and Joint IR&R, and whether construction security is included as part of the CSO Budget. Ms. Pallansch reported that Board Policy requires at least 15% of AlexRenew's CIP program be funded by cash. Additionally, construction security is part of the CSO Budget. Board members requested a dashboard for the RiverRenew project in future budgets.

The Chairman and members commended staff on the FY19 Budget. The Chairman requested a motion to approve AlexRenew's FY19 Operating and Capital Budget. Mr. Johnson moved approval and Mr. Dickinson provided the second. The Board unanimously approved.

#### Education Discussion – National Environmental Policy Act (NEPA)

The Chairman recognized Ms. Pallansch who introduced Mr. Doug Chapin from AlexRenew's Owner Advisor Team. Mr. Chapin provided an overview of the Act and the review process. AlexRenew is subject to NEPA due to construction on National Park Service (NPS) property. Mr. Chapin reported the process is collaborative and NPS would be working with the team on document development. Mr. Chapin and Mr. Carl further reviewed NEPA's three pathways to compliance. The NPS has determined that the Environmental Assessment (EA) is the RiverRenew pathway to compliance. The NPS works with AlexRenew to develop a document to submit for review. The possible outcomes are a Finding of No Significant Impact (FONSI) or an Environmental Impact Statement (EIS) indicating the potential for significant adverse impacts.

Board members inquired on the potential for litigation, Army Corps of Engineers role, which office of the NPS would make the determination and issue the original permit, AlexRenew's role, the result if AlexRenew did not receive the FONSI, and Board engagement. Mr. Chapin and Mr. Carl reported that the NEPA process is collaborative. AlexRenew would be working with the NPS towards this permit. The Corps of Engineers would be involved as part of the permitting process. The NPS Regional Office is the determining Federal Agency involved in the decision-making. The Board could attend Listening Sessions on the RiverRenew program and engage the public through those meetings.

There were no additional questions or comments and the Chairman moved to the Board Strategic Roundtable Reports.

#### Board Strategic Roundtable Reports

Board members requested an updated calendar of HOA meetings for the next quarter.

#### Community Meeting Updates

##### Seminary Hill (Mr. Dickinson)

Mr. Dickinson reported that residents were concerned about the storm water utility fee and there appeared to be some confusion on the CSO abatement project.

##### Alexandria Chamber of Commerce (Ms. Turner)

Ms. Turner reported that Chamber had approved its Legislative Agenda.

Chesapeake Bay Citizens Advisory Group (Mr. Dickinson)

Mr. Dickinson attended a meeting in Baltimore with the principals (NY, WVA, VA DC DEL, PA, MD, US Department of Agriculture (USDA) and the Environmental Protection Agency (EPA). Members reaffirmed the agreement and acknowledged that progress has been made. There is continued emphasis on environmental education and noted that DC and Maryland had impressive programs embedded in their schools. He noted that 80% of Virginia schools reported on environmental education and building practices and that Alexandria had not reported on its programs.

The Group commended wastewater treatment plants for meeting and exceeding their goals.

CAG Meeting (Mr. Dickinson)

Toured the Richmond treatment plant in September and met with Richmond Mayor Levar Stoney and Virginia Deputy Secretary of Natural Resources, Anne Jennings. The Richmond plant treats 75 MGD and serves customers in the City of Richmond, Goochland County and portions of Henrico and Chesterfield Counties. He reported that utility rates were increasing approximately 3% per year.

Chesapeake Bay Programs (CBP) Agencies (Mr. Dickinson)

Reported on diversity issues in CBP agencies in staffing and leadership. A work group has been established to explore what actions are necessary.

Reported on Governor Northam's Executive Order 6 calling for review of Virginia's environmental programs and inviting comments. Included is a focus on Virginia's Department of Environmental Quality (DEQ). What resources do they need to do their jobs? The Commonwealth ranks 47 out of 50 states in environmental spending. The goals of the Commonwealth include a 2% increase in environmental spending and meeting Chesapeake Bay TMDLs ahead of schedule with an emphasis on storm water. The report to the Governor is due April 30, 2019.

Clean Water Conference in Baltimore – May 2019 (Mr. Dickinson)

Reported that the Potomac River was doing well.

Finance and Audit Committee

Mr. Johnson reported that the Board adopted the FY19 Operating and Capital Budget.

He reported attending a conference sponsored by the American Water Works Association (AWWA) on affordability as well as a conference on water equity issues. He reviewed his 10 Takeaway ideas and reported that assistance to low income households for their water bills is trending up. Legal restrictions exist in some states on how to provide assistance.

He reported on local jurisdictions such as Richmond and the District of Columbia that had programs for low-income citizens. Challenges with the programs include getting the services to the populations that most need them. Ms. Pallansch reported that there are opportunities as well as challenges in providing a service like this. Mr. Johnson reported that the City has to take the lead on a project like this.

Governance Committee

The Chairman recognized Ms. Turner who provided a draft 2040 Vision statement derived from the August 18, Board of Directors Retreat. She requested that members review the package and provide their comments and edits to Ms. Pallansch by Noon on Friday, October 5.

### CEO's Reports and Recommendations

#### A. Consideration of July and August 2018 Financial Reports

Members reviewed the July and August financial reports noting debt coverage, healthy cash reserves and a strong financial position.

#### B. CEO Monthly Reports (July and August)

Ms. Pallansch submitted her written report and inquired if members had questions or comments. She noted the Chamber's Legislative Agenda meeting and reported that grant money would be in the Governor's budget due to surpluses. Ms. Pallansch and Ms. Emily Baker, Deputy City Manager, met with Council candidates to brief them on the RiverRenew program.

Ms. Pallansch recognized Ms. Van Riper, Director of Enterprise Communications. She requested that Board members arrive at 5:30 p.m. for the October meeting. A photographer will take group pictures and update individual photographs. She reported on Water Discovery Day scheduled for Saturday, October 13. She reported that AlexRenew has two tours of the facility planned for 30 participants and both have sold out. She invited members to attend.

Ms. Pallansch asked if the Board had additional questions on her CEO Report. Members inquired on last night's rain and the two overflows in the last few months. Ms. Pallansch reported that the plant and staff performed well last night there were no issues. The two overflows were due to a series of multiple rain events. Plant flows were running high and the plant could not accommodate the amount of rain.

Ms. Pallansch noted that Staff reported the overflows to DEQ. Staff will continue to monitor, but we have not received a notice of violation. AlexRenew's participation in the VEEP Program helps.

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

### Consent Calendar

The Chairman gave Board members a few minutes to review the Minutes of the July 18 meeting. Mr. Dickinson requested a correction to his comments on page 2 regarding youth groups. There being no additional questions or comments, the Chairman requested a motion to approve the Minutes as amended. Mr. Dickinson moved approval and Ms. Turner provided the second. The Board unanimously approved. The Consent Calendar contained the following items:

#### A. Minutes (July)

There were 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 Approval of Year 2, Brown and Caldwell RiverRenew Owner's Advisor Contract

Discussion

AlexRenew is implementing a major infrastructure program to control the discharge of combined and sanitary sewer overflows to Alexandria's waterways. Advancing the concepts established in FY2018 as part the approved Long Term Control Plan Update (LTCPU), the RiverRenew scope of work combines the original concept to address infiltration and inflow from AlexRenew's service area with the 2017 Virginia Law requirements to control combined sewer overflows in the City of Alexandria.

In April 2018, AlexRenew assumed ownership of all four existing combined sewer system regulators and outfalls from the City of Alexandria. AlexRenew is leading the planning, design, and implementation of RiverRenew to comply with the LTCPU and the 2017 Virginia Law requirements. The scope of services from November 2017 through September 2018 primarily focused on project planning, program management, stakeholder outreach and engagement, procurement strategy development, risk identification, LTCPU, development of draft sections of the Environmental Assessment (EA), third party coordination, site investigations, geotechnical explorations, hydraulic modeling, and development of the Preliminary Engineering Report. Additionally, these services initially focused on planning approaches to mitigate combined sewer overflow discharges from existing Outfalls 003 and 004, but the scope was expanded mid-year to accommodate planning and design to remediate Outfalls 001 and 002.

The scope of services for Amendment 2 considers AlexRenew's ownership of the existing combined sewer system and implementation of RiverRenew with AlexRenew as the sole owner of the program. Amendment 2 services will focus on finalizing the planning phase of the program, development of the EA document, program management, stakeholder outreach and engagement, preliminary engineering, site investigations, geotechnical exploration, finalization of the Preliminary Engineering Report (PER), schematic design, procurement, development of a Request for Qualifications (RFQ) for the tunnel system, permitting, easements and third-party coordination.

The requested contract amount for authorization represents anticipated tasks to be complete in FY 2019.

Members questioned the timing and length of the contract, the ability to maintain AlexRenew's Improvement, Renewal and Replacement (IR&R) program, possible contingencies and the rate model. Ms. Pallansch reported that the original Owner's Advisor contract was for three years, with the transfer of Outfalls 001 and 002 to AlexRenew, Amendment 2 was executed in 2018 to accommodate the extra work. She additionally reported there was flexibility in the IRR program and staff will use this year for planning. PRMG will begin the rate model in February 2019.

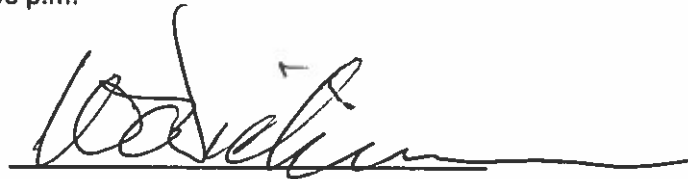
There were no additional questions or comments and the Chairman requested a motion to approve. Ms. Turner moved approval and Mr. Johnson provided the second. The Board unanimously approved.

**Be It Resolved That:** the Board authorizes the CEO to execute Amendment 2 to Contract #17-022 in the amount of \$11,396,400 for Owner Advisor Services for RiverRenew through FY19.

There being no additional Board business, the Chairman requested a motion to adjourn. Mr. Dickinson moved approval and Mr. Johnson provided the second. The Board unanimously approved.

The meeting adjourned at 8:56 p.m.

**APPROVED:**

A handwritten signature in black ink, appearing to read "W. Johnson", written over a horizontal line. The signature is cursive and somewhat stylized.

**Secretary-Treasurer**