

Minutes of the 893rd Meeting
"Celebrating Over 60 Years of Continuous Environmental Excellence"
Alexandria Renew Enterprises
6:00 p.m., Tuesday, April 19, 2022

On Tuesday, April 19, 2022, the Alexandria Renew Enterprises Board of Directors held its regular Board of Directors meeting in the Edward Semonian Board Room at 1800 Limerick Street, with the following present:

Members: Mr. John Hill, Chairman
Mr. James Beall, Vice Chairman
Mr. William Dickinson, Secretary-Treasurer
Ms. Adriana Caldarelli, Member
Mr. Kerry Donley, Member

Staff: Ms. Karen Pallansch, Chief Executive Officer
Ms. Christine McIntyre, Chief Financial Officer
Ms. Allison Deines, Director of Strategy & Policy
Ms. Caitlin Feehan, RiverRenew Project Director
Ms. Lorna Huff, Secretary to the Board

Counsel: Mr. Jonathan Rak, General Counsel,
McGuireWoods LLP

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

Mr. William Barrack, Deputy Director
Wastewater Planning & Monitoring Division

City Representative: Mr. Mike Lee,
T&ES/Sanitary Sewer Infrastructure Division

Consultants: Mr. Justin Carl, Owner's Advisor
Brown & Caldwell

Call to Order

The Chairman called the meeting to order at 6:02 p.m.

Approval of Agenda

The Chairman requested that members review the agenda, noting an amendment adding a closed session. There being no changes, the Chairman requested a motion to approve the revised agenda. Mr. Donley moved, and Mr. Dickinson seconded. The Board unanimously approved.

Public Comment Period

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

Consent Agenda

The Chairman requested members review the Consent Agenda which contained the Minutes of the March 15, 2022, meeting and the review and approval of the Board policies from the January 27, 2022, Governance Committee review. Mr. Donley moved approval, and Mr. Beall seconded. The Board unanimously approved the Consent Agenda.

Unfinished Business

A. Board Governance Committee Policy Update

Discussion

Mr. Beall reported all Board members attended the prior evening's Governance Committee meeting with Polihire, AlexRenew's executive search firm. He also noted that members reviewed policies and will finalize.

There were no additional questions or comments, and the Chairman moved to new business.

New Business

A. Presentation of FY23 Operating and Capital Budget

Discussion

The Chairman recognized Ms. Pallansch who gave a presentation on AlexRenew's FY23 Operating and Capital Budget reviewing the City of Alexandria's One Water System and the roles of Virginia American Water (VAW), AlexRenew and The City of Alexandria.

AlexRenew cleans thirteen billion gallons of wastewater at the facility each year and serves over 300,000 customers in Alexandria and Fairfax County. It is an independent political subdivision governed by a 5-member citizen board.

FY2022 budget highlights included a 6.9% rate adjustment and distribution of CARE's Act funds of \$565,000 to 1,200 customers for Covid-19 bill relief. The FY2023 budget is \$221 million. It includes a Fairfax County capital contribution of \$30.6 million with contributions to IRR and operating expenses of \$3.4million and 11.6 million, respectively. Wastewater treatment revenue is expected to be \$50.9 million. Staff expects a capital outlay of approximately \$164.8 million.

Ms. Pallansch reported that it was necessary for members to adopt a resolution to provide public notice of the FY2023 Proposed Operating & Capital Budget and set a public hearing to receive comments. Members discussed the budget and next steps. She reported that the upcoming Finance & Audit Committee meeting will need to be rescheduled.

There being no additional discussion, the Chairman requested a motion to adopt the FY2023 Proposed Operating & Capital Budget for public notice and set the public hearing for Saturday, May 7, at 9:30 a.m..

Mr. Beall moved, and Mr. Dickinson seconded. The Board unanimously approved.

B. Review of Recommendation to Update Calculation of the Winter Quarter Averaging (WQA).

Discussion

Ms. Pallansch reported that based on a customer inquiry, staff has been considering changes to AlexRenew's winter quarter averaging period. Currently, staff uses the customer's average water usage during December, January, and February to set a cap on usage for the remaining months of the year. The current methodology requires that a customer's WQA cannot be less than 4,000 gallons per month.

Staff has requested that the Board lower the current 4,000 gallons to 1,000 gallons as part of the rate planning process beginning January 2023. This would allow for implementation in the FY2024 rate adjustment cycle. Lowering the minimum would negatively impact revenue by approximately \$500,000, requiring an immediate across the board 1% increase in rates if implemented.

Members discussed the pros and cons of the recommendation and agreed to revisit this issue in the fall.

CEO Monthly Outcome Reports

Ms. Pallansch noted her written report and inquired if members had questions or comments on the CEO Report. There were no comments on the report and Ms. Pallansch reviewed the RiverRenew Dashboard and Financial Report.

Mr. Dickinson inquired on customer delinquencies. Ms. Pallansch reported that no visible trends and staff was working to get delinquent customers onto payment plans.

There were no additional questions or comments and the Chairman moved to Closed Session.

Closed Session

At 7:01 p.m., the Chairman moved to enter a closed session for discussion, consideration, or interviews of prospective candidates for employment, assignment, appointment, promotion, performance, demotion, salaries, disciplining or resignation of specific officers, appointees, or employees. Mr. Donley moved, and Mr. Beall seconded. The board unanimously approved.

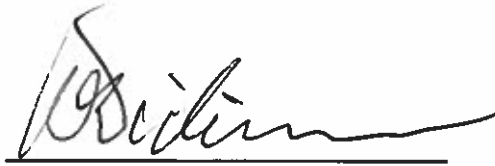
At 7:38 p.m., the meeting returned to open session, and the following certification was unanimously adopted by the members: "Pursuant to 2.2-3712(D) of the Virginia Freedom of Information Act, it is hereby certified that to the best of each Member's knowledge, (1) only public business matters lawfully 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."

Mr. Donley moved, and Mr. Hill seconded. All Members present voted via roll call:

Mr. Hill	Aye
Mr. Beall	Aye
Mr. Dickinson	Aye
Mr. Caldarelli	Aye
Ms. Donley	Aye

The Chairman requested a motion to approve the There were no additional questions or comments and the meeting adjourned.

APPROVED:



Secretary-Treasurer