

Minutes of the 905th Meeting
"Celebrating Over 60 Years of Continuous Environmental Excellence"
Alexandria Renew Enterprises
6:00 p.m., Tuesday, March 21, 2023

On Tuesday, March 21, 2023, 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. Mark Jinks, Member

Staff: Mr. Justin Carl, General Manager/Chief Executive Officer
Ms. Wendy Callahan, Chief Human Resources Officer
Ms. Allison Deines, Chief Water Quality Officer
Ms. Caitlin Feehan, Chief Administrative Officer
Ms. Felicia Glapion, Chief Engineering Officer
Mr. Paul Carbary, Senior O&M Advisor
Mr. Lake Akinkugbe, Director of Finance
Ms. Lorna Huff, Secretary to the Board

Counsel: Ms. Amanda Waters, General Counsel,
McGuireWoods LLP

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

City Representative: Ms. Erin Bevis-Carver, Division Chief
T&ES/Sanitary Sewer Infrastructure Division

Consultants: Mr. Rob Ori, Raftelis
Ms. Diana Ling, Raftelis

Call to Order

The Chairman called the meeting to order at 6:01 p.m.

Approval of Agenda

The Chairman requested that members review and approve the agenda. Ms. Caldarelli moved and Mr. Beall seconded. The Board unanimously approved.

Public Comment Period

There being no members of the public in attendance and 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 February 21, 2023, meeting. There being no changes to the Minutes, Mr. Jinks moved approval and Mr. Dickinson seconded. The Board unanimously approved

Unfinished Business

A. None

New Business

A. Presentation of the FY 2024 Draft Operating & Capital Budget & Rate Recommendation

The Chairman recognized Mr. Carl who commended AlexRenew staff especially Ms. Feehan and Ms. Glapion for their work on the Capital Improvement Program (CIP) and compiling the budget during the CEO transition.

Mr. Carl reviewed the background and history of the FY2024 Draft Operating and Capital Budget, noting that the budget and rate recommendation support AlexRenew's Board-endorsed mission and vision statement. He reviewed AlexRenew's assets including interceptors, service chambers, wastewater plant, and the under construction RiverRenew tunnel, reporting that \$162 million of AlexRenew's capital budget this year is to support the RiverRenew tunnel project. He provided an overview of AlexRenew's fiscal policies, Master Indenture of Trust and employee compensation policies as well as a rate recommendation of 5.4% and 5.1%, respectively for FY2024 and FY2025.

Mr. Carl recognized Mr. Akinkugbe, who provided an overview of AlexRenew's Proposed FY2024 budget of \$262.8 million which is an increase of 8.5% from the prior year. He noted that increased spending on personnel, utilities, chemicals, and sludge disposal reflect inflationary impacts. Debt proceeds are approximately 60% of the budget and driven primarily by the ongoing RiverRenew program noting that AlexRenew is entering the peak spending year of this program. Mr. Akinkugbe reviewed major CIP projects and their timelines including the Commonwealth Interceptor, Preliminary and Primary Systems upgrades, and IT infrastructure to support the update to cybersecurity systems.

Ms. Feehan reported on the rate recommendation for FY2024 and FY2025 reporting a 5.4% and 5.1% increase over the next two years, respectively. Customers will see an approximate \$2.70 increase on their monthly bills. Initial rate modeling indicated rate increases of \$20 to \$40 for the average rate payer. The current rate plan presents the lower end of those projections due to loans from WIFIA and the Clean Water Fund when interest rates were low, and \$40 million in grant funding.

Ms. Feehan reported on AlexRenew's two major payment assistance programs: payment plans and LIHWAP both programs are administered by PromisePay. The WaterFund program, established in 2015 was funded through customer donations and administered through the United Way. The United Way is no longer supporting the program and staff is looking at third party charitable funds to assist. AlexRenew's new portal will allow customers to make donations to the WaterFund. She reviewed next steps including the communications outreach social media, AlexRenew's website and the rate process.

The Chairman commended Mr. Carl and the new team for a clear and concise presentation. Mr.

Jinks began the questioning and members inquired and discussed delinquent accounts, relief possibilities, and information on the types of accounts with delinquencies above 60 days, additionally, Dominion Virginia Power and refunds, employee compensation, AlexRenew's debt service coverage, etc.

B. Review and Approve Registration of AlexRenew/Alexandria Renew as Fictitious Names DBA

Discussion

The Chairman recognized Ms. Waters who discussed the VA Authorities Act Section 15.2-5102 requirement that the official name of Alexandria Sanitation Authority contain the word "authority." For this reason, AlexRenew continues to use its official seal for legal, tax, and official governance documents. However, the organization can register fictitious names with the State Corporation Commission (SCC) for the purposes of billing, branding, etc. Registering these names with the SCC is straightforward, requires minimal fees, and no changes to AlexRenew's bylaws.

Mr. Carl further reported that the Board will also be reviewing changes to AlexRenew's branding at the August Board Retreat.

There were no additional questions or comments and the Chairman requested a motion to approve the registration of AlexRenew and Alexandria Renew as fictitious names. Mr. Dickinson moved and Mr. Beall seconded. The Board unanimously approved.

CEO Monthly Outcome Reports

RiverRenew Dashboard

Mr. Carl reported on milestones for RiverRenew for the month including the completion of the AVR by the Marriott, the beginning of pile driving at Outfall 001, installation of the conveyor machine on the plant site, and completion of the micro tunnel drive with Marguerite. He noted delays at the waterfront site of approximately 7% or 60 days. Staff will plan to mine at higher rates to make up time and is evaluating the scheduled July 2025 due date.

Members inquired about Marguerite, direction and type of cuts and the reason for the delay. Mr. Carl reported that a shortage of concrete during the install of the two big shafts at the plant in January 2022, shipping delays of Hazel due to a Covid outbreak at the manufacturers plant, and the current war in Ukraine are some of the factors impacting the current deadline.

The State mandated July 2025 completion date will require that staff inform the General Assembly of delays that might impact the overall completion date of the program. Staff will also inform City partners and the River Keeper community. Staff is planning a potential tour for the delegates in the Spring ahead of the primaries in June.

Financial Report

Ms. Caldarelli inquired about the number of delinquencies and if there were trends. Mr. Carl reported that the number has been fluctuating month over month. Mr. Carl also reported that AlexRenew had sent a letter to the delinquent accounts to encourage use of payment plans and LIHWAP funds if customers are eligible. Due to the onboarding of the new customer service portal, customer shut offs will not begin until after the first of the year. Mr. Dickinson inquired if the delinquent bills have a special designation or urgent stamp on the outside of the letter. Mr. Carl was not aware but would find out and report at the next meeting. Mr. Carl referenced the Info Section of the package noting that the Alexandria HOA list had been paired and focused on five HOAs.

Notice of Availability

Mr. Carl requested Member availability for a Board Retreat in August with a dinner the night before and a working session on Saturday. Topics would include the revision of the 2040 Vision and Mission Statement and a review of the Strategic Outcomes.

Closed Session

At 7:31 p.m., the Chairman, Pursuant to Section 2.2-3711 of the Code of Virginia, moved the Board into a closed session to discuss a personnel matter regarding the employee incentive program. Mr. Dickinson seconded. The Board unanimously approved.

At 8:06 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."

Ms. Caldarelli moved, and Mr. Jinks seconded. All Members present voted via roll call:

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

There being no additional business, the Chairman moved to adjourn and Mr. Beall seconded. The Board unanimously approved. The meeting adjourned at 8:06 p.m.

APPROVED:


Secretary-Treasurer