

Minutes of a Public Hearing
“Celebrating Over 60 Years of Continuous Environmental Excellence”
Alexandria Renew Enterprises
9:00 a.m., Saturday May 20, 2023

On May 20, 2023, the Alexandria Renew Enterprises Board of Directors held a public hearing to receive comments on its FY 2024 Proposed Operating and Capital Budget and the FY2024-FY2025 Resolution of Intent to Adopt and Change Certain Rates Fees and Charges in the Edward Semonian Board Room at 1800 Limerick Street. The hearing was livestreamed on the Alexandria Renew YouTube channel and a recording will be posted on the Alexandria Renew Enterprises website.

The following were in attendance:

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. Caitlin Feehan, Chief Administrative Officer
 Mr. Lake Akinkugbe, Director of Finance
 Ms. Lorna Huff, Secretary to the Board

Call to Order

The Chairman called the meeting to order at 9:01 a.m.

Review of the Process

The Chairman reviewed the process and rules for staff and participants of the public hearing.

Discussion

The Chairman recognized Mr. Carl who reported that staff was going to present on the FY2024 Proposed Operating and Capital Budget and the FY2024-FY2025 Resolution of Intent to Adopt Certain Rates, Fees and Charges. AlexRenew’s budget process began in August 2022 with the development of the Capital Improvement Program (CIP) for FY2024. Staff provided the Board with an overview of the rate and budget process in February and presented the FY2024 Preliminary Operating and Capital Budget in March.

Increases in AlexRenew’s capital budget are largely due to RiverRenew spending entering its peak year with approximately \$162 million expected. Operating costs increases are due primarily to chemicals, electricity and merit adjustments for staff. Mr. Carl then recognized Ms. Feehan.

Ms. Feehan reviewed AlexRenew’s governance structure, 2040 vision and guiding principles. Ms. Feehan provided an overview of the AlexRenew organization noting that it annually cleans 13 billion gallons of wastewater and serves over 300,000 customers in Alexandria and Fairfax County. An independent political subdivision, AlexRenew is governed by a 5-member citizen board. She then reviewed AlexRenew’s service area and assets reporting that Fairfax County is a wholesale customer contributing to AlexRenew’s operating and capital budgets.

AlexRenew’s three service agreements with Fairfax and Arlington Counties and the City of Alexandria, establish the relationship among the stakeholders.

AlexRenew's fiscal principles guide the rate setting process and this in turn sets our FY2024 budget. For FY2024, AlexRenew plans for a \$262.8 million budget with the key drivers being our operations and maintenance budget, improvement, renewal and replacement (IRR) budget and the capital improvement budget which is driven primarily for the RiverRenew project as the organization enters peak spending in 2024 of \$162 million, noting that 40% of the RiverRenew project is completed. She noted that major construction will include finishing up the mining and construction of the Hooffs Run Tunnel.

She then reviewed the budget summary of revenues and expenses and major IRR and capital improvement projects.

Ms. Feehan recognized Mr. Akinkugbe who focused on the 10-year CIP. Major projects in the CIP include the Tertiary Upgrades project currently in the design phase with a construction start date schedule for FY2026 and total capital of \$37 million. Construction was delayed due to the ongoing RiverRenew project. The Potomac Interceptor project and the Holmes Run Trunk Sewer rehabilitation project are both in the pipeline. Work here will be performed towards the end of the 10-year timeline.

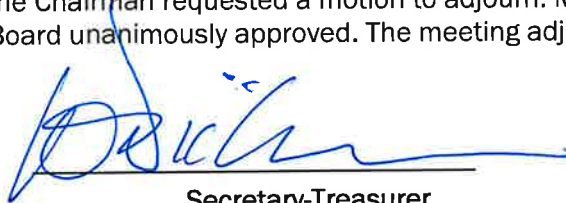
He then reported on the summary of total 10-year capital expenditures and the percentages. In 2020 AlexRenew adopted a two-year rate adjustment to fund revenue requirements including initiation of RiverRenew. He further reviewed past rate adjustments as well FY2024 rate adjustments of 5.4% and 5.1%, respectively which amounts to approximately \$2.70 per month per year.

He then reviewed existing rates vs FY2024 and FY2025 rates and the rates of comparable wastewater utilities in the area.

Next steps at the June 20 meeting is to approve FY2024 Budget and FY2024-2025 rate adjustment. New rates take effect on July 1, 2023.

The Chairman thanked AlexRenew staff. There were no written comments submitted by the public or questions by the Board. The Chairman requested a motion to adjourn. Mr. Jinks moved approval and Mr. Beall seconded. The Board unanimously approved. The meeting adjourned at 9:35 a.m.

APPROVED:

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

Secretary-Treasurer