

NORTHERN VIRGINIA REGIONAL COMMISSION

Minutes of the Commission Meeting Held Thursday, October 27, 2011

COMMISSIONERS

(The names of those members present are highlighted.)

Hon. Sharon Bulova
Hon. John C. Cook
Hon. Steve DeBenedittis
Hon. Barbara A. Favola
Hon. Jay Fiset
Hon. Robin Gardner
Hon. Penelope A. Gross
Hon. Pat Herrity
Hon. Catherine Hudgins
Hon. Robert W. Lazaro, Jr., NVRC Vice Chairman
Hon. Michael C. May
Hon. Jeffrey C. McKay
Hon. Suhas Naddoni
Hon. Martin E. Nohe, NVRC Chairman
Hon. Harry J. Parrish II
Hon. Redella S. Pepper, NVRC Treasurer
Hon. Frank J. Principi
Hon. Kenneth "Ken" Reid
Hon. M. Jane Seeman
Hon. R. Scott Silverthorne
Hon. Paul C. Smedberg
Hon. Linda Smyth
Hon. Nancy West
Hon. Scott K. York

County of Fairfax
County of Fairfax
Town of Herndon
County of Arlington
County of Arlington
City of Falls Church
County of Fairfax
County of Fairfax
County of Fairfax
Town of Purcellville
County of Prince William
County of Fairfax
City of Manassas Park
County of Prince William
City of Manassas
City of Alexandria
County of Prince William
Town of Leesburg
Town of Vienna
City of Fairfax
City of Alexandria
County of Fairfax
Town of Dumfries
County of Loudoun

STAFF PRESENT

G. Mark Gibb
Linda M. Tenney
Linda Summerall
Ken Billingsley
Normand Goulet
Dale Medearis
David Schwengel
Peggy Tadej
Aimee Vosper
Stephen Walz

Executive Director
Deputy Director
Executive Secretary
Director, Demographics & Information Services
Sr. Environmental Planner
Sr. Environmental Planner
Director, Regional Emergency Preparedness Planning
No. Va. Regional BRAC Coordinator
Director, Environmental & Planning Services
Director, Regional Energy Planning

OTHERS PRESENT

Kate Boyle
Sue Rowland

Fairfax County staff
NVRC Legislative Liaison; SR Consulting, Inc.

- CALL TO ORDER Chairman Nohe called the meeting to order at 7:40 p.m.
- PLEDGE OF ALLEGIANCE The Pledge of Allegiance was recited by all present.
- ROLL CALL The roll was called and all members present or absent were noted for the record.
- APPROVAL OF MINUTES Commissioner DeBenedittis moved approval of the minutes of the September 22, 2011, Commission meeting. The motion was seconded and unanimously carried.
- DISTRICT HEATING

IN VIRGINIA STUDY Chairman Nohe welcomed L. Preston Bryant, Senior Vice President, Infrastructure and Economic Development, with McGuireWoods Consulting, and Secretary of Natural Resources under former Governor Tim Kaine.

Preston Bryant

Mr. Bryant distributed the analysis of Virginia law regarding district energy systems, prepared by McGuireWoods LLP and McGuireWoods Consulting LLC for NVRC. The paper describes the complex legal framework within which public and private parties can develop, own and operate district energy systems in Virginia. McGuireWoods concludes those legal issues raise no insurmountable barriers to development of a properly structured system.

What Is A District Energy System?

- Provides heating and/or cooling (steam, hot water, chilled water) to multiple buildings from a central plant by way of an underground connection of pipes
- Typically in urban or suburban settings
- Usually serves buildings in a defined area (i.e., central business district)
- Buildings can be large or small; can include residential, commercial, industrial and/or institutional
- Also can include production of electricity
- Fuel sources can include heat from existing sources, biomass (wood chips, waste sludge, food waste), waste-to-energy, natural gas, oil or coal

District Energy Systems are being used in the U.S. (St. Paul, Minnesota; Nashville, Philadelphia, Denver, New York City and elsewhere), in Virginia (Harrisonburg/JMU – waste-to-energy provides thermal energy to the university), and worldwide (Berlin, Copenhagen, Helsinki, Vienna, Montreal, London, Toronto, Tokyo and elsewhere).

Mr. Bryant reviewed Virginia public utility regulation and how District Energy Systems fall under Virginia Code and the Dillon Rule, as well as state and federal tax treatment, ownership arrangements and contractual relationships. It is recommended that municipalities or the region work collaboratively with Northern Virginia's major electricity and gas utility providers and with major developers.

questions & answers Commissioner Bulova reported that Fairfax County's energy task force learned a District Energy System cannot be done if several parcels are held by multiple owners. Mr. Bryant replied that a multi-ownership corporation must be established in order to provide a District Energy System.

Commissioner Gross asked if chilled air has been discussed with state legislators. Mr. Bryant said he has not spoken with any legislators, and added he thinks New York City or Denver would have a comprehensive plan template that uses a District Energy System.

Mr. Bryant confirmed for Commissioner McKay that the District Energy System is economically beneficial to the City of Harrisonburg, Virginia.

Chairman Nohe asked if there is anything in Virginia's regulations that would make a multi-state District Energy System more difficult, thinking specifically of Metro and the Blue Plains waste treatment facility. Mr. Bryant said he is not an attorney, but multi-state would bring in federal input. Mr. Walz added that Blue Plains is starting a methane generation facility to provide heat and power, which will be one of the largest projects of its type in the U.S. It will be within the footprint of Blue Plains. Mr. Walz thinks it likely an LLC will be created.

In the context of the Tyson's Corner redevelopment, Commissioner Smyth asked what a condo owner would experience when switching the unit from heat to air conditioning.

Mr. Bryant said one unit could run heat while another runs air conditioning. Further, the equipment for the building is not bulky, so more usable space is available for other purposes.

Commissioner Fisette reported that Arlington County will explore using a District Energy System as Crystal City is redeveloped. A workshop on District Energy System will be held in Rosslyn on November 14; it is cosponsored by NVRC, MWCOG and ULI.

EXECUTIVE DIRECTOR'S REPORT

Mr. Gibb distributed a copy of his report on:

- NVRC is working with Fairfax County to explore creating an equitable funding formula to share efforts and costs throughout the region on public utility regulatory proceedings
- Environmental News
 - NVRC recently received funding for the *Conservation Corridors in Northern Virginia Planning Project* from the Virginia Dept. of Forestry
 - NVRC recently held a two-hour free webinar on *Using Online Advertising for Effective Outreach on Stormwater Pollution*
 - NVRC recently received funding for the *Native Plant Marketing Campaign* from the Virginia Coastal Zone Management Program
- Demographics
 - NVRC staff recently made three presentations in Alexandria on updated 2010 Census information. Staff is available to make presentations to its member governments when relevant Census information is available
- Transatlantic Urban Energy Dialogue
- Commuter Ferry Study
 - Funding commitments for the market analysis have been received from nine entities
- Chief Administrative Officers (CAOs) received a briefing on the Northern Virginia Emergency Response System (NVERS) at its October meeting
- Regional Water Supply Plan Update
- Potomac Heritage Scenic Trail Update

CHAIRMAN'S REPORT

Chairman Nohe asked Commissioner Gross to continue chairing the Legislative Committee.

The Chairman and Mr. Gibb are happy to come before the boards and councils to discuss NVRC and recruit new Commissioners, in light of the possible results of the upcoming elections.

Chairman Nohe suggested it may be time to start thinking of a strategic planning session.

RESOLUTION NO. P12-13

Phase II Funding Request to the Commonwealth Transportation Board for the Development of Bicycle Pedestrian Safety Guide Printing and Safety Classes

Commissioner Pepper moved adoption of Resolution No. P12-13. The motion was seconded and carried unanimously.

PRELIMINARY
FY 2013 BUDGET

The budget document was distributed. Commissioner Pepper, Chairman of the Operations Committee, explained that the committee reviewed the proposed budget and recommends Commission discussion tonight, focusing on the dues and energy strategy assessment. The committee will meet next month to consider revised dues proposals and bring the revised budget for adoption by the Commission in December.

Mr. Gibb pointed out it has been over six years since the last increase in the per capita dues rate, currently 50¢. He called attention to the chart attached to his message in the budget document: NVRC — the planning district commission (PDC) with the largest population — has the lowest dues rate among the 21 PDCs.

The proposed dues increase will be dedicated to the Chesapeake Bay and stormwater management programs, which have been mainstays for NVRC. Jurisdictional staff are very supportive of NVRC's role in these areas, which are top priorities for the region. The additional funding will make NVRC's programs more robust. It will also allow for the return of some money to the reserves, which were depleted over the past two years.

Replying to Commissioner Lazaro, Mr. Gibb says he expects the state appropriations to remain at \$132,000 per year, although he has talked with key legislators about the effects of the state's funding cut. There was a suggestion to increase the per capita dues rate by seven to eight cents and drop the regional energy assessment.

Commissioner Bulova pointed out the jurisdictions may be saving money in their budgets through NVRC's involvement in the Chesapeake Bay and the stormwater management programs.

ADJOURNMENT There being no further business, Chairman Nohe adjourned the meeting at 9:12 p.m.

Respectfully submitted:

G. Mark Gibb
Executive Director

Approved by:

Martin E. Nohe
Chairman