

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD JULY 15, 2021 IN THE OPERATIONS BUILDING LOCATED AT 14631 COMPTON ROAD, CENTREVILLE, VIRGINIA 20121.

A. Calling of the Meeting to Order

1. The Board of Directors of the Upper Occoquan Service Authority convened its Regularly Scheduled Meeting at 4:00 P.M.

Directors Present:

Don Pannell	Shahram Mohsenin
Gary Fields	Jeanette M. Rishell
Michael McGrath	Glenn Simpson
	Nancy Vehrs

Directors Absent:

Tony Dawood
Calvin D. Farr, Jr.

Others Present:

UOSA Staff:	Robert W. Angelotti
	Brian L. Owsenek
	Kevin D. Wolfe
	Mishelle R. Noble-Blair
	John W. Airhart
	June A. Mahoney

Legal Counsel:	Sally Ann Hostetler
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Engineer:	Don Forgacs, Jacobs
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B. Approval of Minutes

1. Chairman Mohsenin referenced the Board Minutes dated June 17, 2021 and asked the Board for their approval.

MOTION: Director Vehrs moved to approve the minutes of the June 17, 2021 Board meeting.

SECOND: Director Rishell

VOTE: Unanimous

C. Public Comment Time

1. Chairman Mohsenin asked if there was any known interest or request received by the Public to speak at the meeting.
2. Ms. Mahoney stated that none were received ahead of the meeting.

D. Board Member Changes and Election of a Vice Chairman

1. Chairman Mohsenin referenced staff memorandum, *Board Member Changes and Election of a Vice Chairman* (filed as Exhibit A).
 - a. Director Pannell informed the Board that shortly after Mr. Dickey retired as the General Manager from the Prince William Service Authority this past May, he was appointed to the Prince William Service Authority's Board and he now represents the Brentsville District.
 - b. Chairman Mohsenin asked the Board if there was a volunteer or nominee to fill the vacant office.
 - c. Director Fields nominated Director Vehrs as the Vice Chair for the UOSA Board of Directors. Director Vehrs accepted the nomination.

MOTION: Director Fields moved to nominate Director Vehrs as the Vice Chair for the UOSA Board of Directors.

SECOND: Director Rishell

VOTE: Unanimous

E. Financial Reports

1. Chairman Mohsenin referenced staff memorandum, *June 2021 Financial Summary* (filed as Exhibit B) and asked if there was anything unusual to report.
 - a. Mr. Wolfe stated that the June Financial Summary reflected higher O&M expenses than planned primarily due to combination of higher requirements for Maintenance Materials, Outside Services and Buildings & Grounds than planned and timing differences for Contract Services and Miscellaneous. This was partially offset by lower requirements for Personnel expenses. Flows were 7.8 percent lower than planned for the month. Year-to-date FY-21 expenses through June were lower than budget by approximately \$1.6 million primarily due to a combination of lower Contract Services, Electric Power, Process Chemicals, Facilities Operations, Personnel, Administration and Miscellaneous expenses. Year-to-date flows were 1.2 percent lower than planned.
 - b. In response to Director Vehrs, Mr. Wolfe confirmed that outside of any adjustments from the audit, that this report represents the end of the fiscal year numbers. He said the audit would take place in the September and October timeframe.

MOTION: Director Vehrs moved to receive and file the June 2021 Financial Summary.

SECOND: Director Simpson

VOTE: Unanimous

2. Chairman Mohsenin referenced staff memorandum, *Interest Rate Reset on VRA Loans* (filed as Exhibit C).

- a. Mr. Angelotti advised that staff and financial advisors continue to look for opportunities to save on borrowing costs. Rates published in the memo, represent an approximate savings of \$80,000/year through the term of the 2011A and 2011B bonds, which equates to approximately \$1 million in present worth savings. Closing costs of approximately \$50,000 would be recovered in the first year from the savings. He said that timing to complete this transaction was rather short, therefore the

Board had at their places, a Resolution and two allonges (filed as Exhibit D) for the Board's approval.

- b. In response to Director Fields, Mr. Angelotti confirmed that the transaction would not extend the maturity dates for the bonds, it only reduces the interest rate.

MOTION: Director Rishell moved to approve the Resolution and endorse the Allonges to proceed with the rate reset opportunity and authorized staff to take such actions as are necessary for the rate reset provided the savings meet or exceed a three percent Present Values savings basis historically deemed acceptable.

SECOND: Director Fields

VOTE: Unanimous

F. FY-22 O&M Budget Amendment – Staff Salary Adjustments

- 1. Chairman Mohsenin referenced staff memorandum, *FY-22 O&M Budget Amendment – Staff Salary Adjustment* (filed as Exhibit E, and a corrected Table 1 handout filed as Exhibit F).

- a. Mr. Angelotti said the Board may recall that at the April 2021 board meeting, the Board endorsed the plan for staff to return in July 2021 with a recommended budget amendment to address the salary adjustment for the upcoming FY-22 budget year. He said the recommendation was to consider benchmarks of salary increases by other regional government and water/wastewater utilities. Staff found that a clear majority of the other regional entities went with a salary adjustment around three percent, and the current labor market is tight with inflation rising. Mr. Angelotti suggested that an upward adjustment to salary scales may be prudent so that UOSA maintains a competitive posture with the other entities like it in the region.

- b. Director Pannell agreed that the labor market is incredibly tight and asked about the degree to which staff are topped out in their salary scale and if this merit adjustment could help. Mr. Angelotti and Mr. Wolfe stated that with the already approved budget from April, which included a one percent salary scale adjustment, by the end of FY-22 approximately 40 percent of the workforce will still be topped out. The proposed budget Amendment that increases top of pay scales by 2 percent more (total of 3 percent top of scale adjustment), would result in less than 3 percent of the staff being at the top of their salary scale at the end of FY-22.

MOTION: Director Vehrs moved to authorize an FY-22 O&M Budget Amendment to the Category 1 Personnel budget in the amount of \$265,400 to fund the three percent performance based average merit increases and a three percent pay scale adjustment without an across the board salary adjustment, all effective July 1, 2021.

SECOND: Director Rishell

VOTE: Unanimous

G. FY-21 Fourth Quarter Plant Performance Report

- 1. Chairman Mohsenin referenced staff memorandum, *FY-21 Fourth Quarter Plant Performance Report* (filed as Exhibit G).

- a. Mr. Owsenek reported that staff achieved excellent performance during the fourth quarter of FY-21. He advised that this closes out the fiscal year with the flow coming in at 99 percent and rainfall at 130 percent. This means rainfall came down in short, quick bursts which results in lots of adjustment to operations of the plant for these events. He took the opportunity to commend and recognize the Director of Treatment Process and the Director of O&M (Mr. Robert Canham and Ms. Nina Andgren, respectively) for their teams being responsible for the excellent numbers.
- b. Director McGrath and Chairman Mohsenin commended the staff as well and thanked everyone for their dedication to the organization.

MOTION: Director McGrath moved to receive and file the FY-21 Fourth Quarter Plant Performance Report.

SECOND: Director Simpson

VOTE: Unanimous

H. Major Project Reports

1. Chairman Mohsenin referenced staff memorandum, *July 2021 Project Summary* (filed as Exhibit H).
 - a. Mr. Airhart reported on Plant Projects. He said the NOVEC transformer replacement project (which is an agreement executed between NOVEC and UOSA to replace two high voltage transformers that provide the step-down electric power to the entire plant) will be presented to the NOVEC Board this month for their approval to procure the equipment.
 - b. Mr. Airhart stated that the Contract AWT (Advanced Wastewater Treatment) contractor began reviewing the demolition plan and will begin demo of the clino tanks and the associated piping on or about July 26. The Substantial Completion Date is unchanged at May 10, 2023.
 - c. The Ozone Biofiltration design engineer continued to progress the project toward the 90 percent design review and staff expect the 90 percent submission by the end of July.
 - d. For Contract R2D2 (Renovations to Residuals and Building D/2), Digester 7/1 was dewatered and delivered to the contractor where they removed the remaining sludge from the digester and began selective demo inside the digester. At Building D/2, staff took over operation maintenance of the HVAC system and the blended sludge pipeline improvements. The contractor installed the cerium chloride chemical storage tank that will be used for Struvite control within the process. The project includes two subprojects; the substantial completion date for Subproject A, work in Building D2, remains January 1, 2021 and the staff and engineer continue negotiating an amicable settlement. A negotiation meeting is schedule for the following week. The substantial completion requirement for Subproject B work in the Digesters and Building E is unchanged at January 11, 2022.
 - e. For the P2NR (Phase 2 Nutrient Reduction) full-scale settleability pilot project, staff received the draft report and it is currently under review.
 - f. Mr. Airhart reported on the single active Delivery System Project. He said for the YPIU (Yorkshire Park Interceptor Upgrade) staff reviewed the bypass pumping alternatives and will be providing direction to the

engineers to incorporate the selected alternative into a 90 percent design.

MOTION: Director Simpson moved to receive and file the report.
SECOND: Director Vehrs
VOTE: Unanimous

I. Ongoing Sole Source for Climbing Screen Parts

1. Chairman Mohsenin referenced staff memorandum, *Ongoing Sole Source for Climbing Screen Parts* (filed as Exhibit I, and a corrected Resolution handout filed as Exhibit J)
 - a. Mr. Owsenek said from time to time repairs to critical equipment are needed where the OEM is the only practicable source for parts. In such cases, the cost of equipment exceeds \$100,000, a sole source resolution is required under VPPEA guidelines. He added that reengineering the system for alternative vendors would not be practicable, rather it would be costly and introduced additional risks. He reminded the Board that there is an existing sole source resolution from the Board dating back to 1992. The Resolution at their places would be with Suez Equipment (formerly Infilco Degremont) and would be valid for a period of ten years.
 - b. Mr. Owsenek said that bar screens are the first line of treatment and operation, and this is considered to be a high priority procurement. He shared that just this past week, a bar screen failure in California, at the Hyperion Water Reclamation plant, resulted in a 17 million gallon raw sewage spill that shut down numerous ocean beaches.
 - c. In response to Director Simpson, Mr. Owsenek said once the sole source is in place, a purchase order will be issued for fabrication to continue repair work on the screen mechanisms. He said that UOSA is doing fine with the remaining three screens in place but would not want to delay the fabrication any longer on this critical equipment. He stated that UOSA is not under an emergency need yet.
 - d. In response to Director McGrath, Mr. Owsenek and Mr. Angelotti advised that UOSA does have other equipment around the plant that are covered by sole source procurements, such as DCS equipment. There are other big dollar repair items, like centrifuge repairs which can push above the Executive Director's \$100,000 sole source approval threshold. Mr. Angelotti said that staff have a good idea of these high dollar needs and will review internal documentation to come back to the Board about recommendations on future sole source procurements.

MOTION: Director Rishell moved to approve the Sole Source Resolution.
SECOND: Director McGrath
VOTE: Unanimous

J. Staff Reports

1. Safety Briefing
 - a. Ms. Mishelle Noble-Blair stated that a copy of UOSA's monthly Safety Newsletter was left at the Board Member's places to read at their leisure

and said they would find a number of timely articles. She provided a quick safety update and said the outside counter that you see when you enter the plant has surpassed 100 days and is currently at 108 days without a lost time accident. She said staff continues to create, update and implement safety programs and has an active safety committee that is meeting monthly and performing various safety inspections. She reported that UOSA has gone twenty-one weeks straight with no new COVID-19 cases and that UOSA remains diligent about following the Infectious Disease and Preparedness and Response Plan while waiting for updates from VOSH.

2. Executive Director's Report

- a. Mr. Angelotti announced that UOSA was once again awarded the NACWA Platinum Peak Performance Award for the 16th consecutive year of perfect permit compliance. He said this award is a highly held honor by clean water plants and considering UOSA's extraordinary permit limits, to achieve this award for this long sets UOSA apart as one of the most consistent and highest performing plants in the country.
- b. Mr. Angelotti reminded the Board of a PFAS presentation that he had given at the May 2020 meeting. He stated that DEQ has now formed a PFAS work group to provide input into the Department's plan on how they are going to address PFAS sources and impacts to the environment, and how to establish future monitoring of wastewater, biosolids, and water quality. The work group is comprised of 15 to 20 participants from utilities, DEQ, VAMWA, VA Manufactured Association, Department of Health, legal representation, environmental non-governmental organizations, and consultants. Mr. Angelotti volunteered to be a part of the work group as well. He reported that in a work group meeting earlier that day, the first line of business was to survey various POTWs, industrial users, and potentially include storm water permittees under the MS4 program. He said eventually the intention is to possibly incorporate monitoring requirements into discharge permits.
- c. Mr. Angelotti informed the Board that UOSA's Reference Document notebook that contains various permits, capacity sale agreements and things of that nature, would be updated soon and staff will provide new binders at the September board meeting to hand out. Ms. Mahoney would also be providing an indexed digital file for their convenience as well.
- d. Mr. Angelotti reminded the Board of the upcoming Work Session the following week to discuss the potential Service Agreement Amendment language regarding flow and load exceedances. This Work Session was advertised and made accessible to the Public via a link to electronic conferencing platform, along with an agenda. In response to Chairman Mohsenin, Mr. Angelotti agreed to provide some of staff's drafted presentation material to the Board ahead of the Work Session and that staff would be meeting the following day to formalize those details.
- e. Lastly, Mr. Angelotti stated that the UOSA staff did not foresee a need for an August meeting; however, the Board will be notified if the situation changes and a meeting becomes necessary. Chairman Mohsenin received the Board's concurrence that an August meeting will not be held unless they receive notification from UOSA staff.

- f. In response to Director Vehrs, Mr. Angelotti acknowledged that staff are continuing to look into opportunities to celebrate the UOSA retirees that left during the COVID-era where gatherings in groups were extremely limited. He said that staff are considering combining the NACWA award celebration and the retiree celebration into one event and are targeting late September 2021.

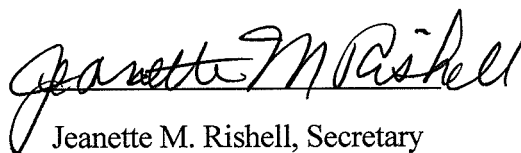
3. Legal Counsel's Report

- a. Ms. Hostetler provided the Board with an updated Virginia Freedom of Information Act and reminded the Board that as public officers, they are charged with knowing and abiding by rules of the Act. She reported that nothing of significance has changed in the law with respect to how UOSA operates.

Ms. Hostetler provided an update on the Service Agreement Amendment regarding the revised language for a plant expansion from 54 MGD to 60 MGD. The proposed language approved by the Board was approved by UOSA's bond counsel as it was deemed not to be materially adverse to the bondholders. It then was submitted to the jurisdiction's legal counsel for review. She is waiting to receive responses from some jurisdiction's counsel and anticipates having that information for the September meeting.

J. Adjournment

MOTION: Director Vehrs moved to adjourn at 4:43 P.M.
SECOND: Director McGrath
VOTE: Unanimous



Jeanette M. Rishell, Secretary
UOSA Board of Directors

Date: September 16, 2021

These minutes are unofficial until signed.