

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD NOVEMBER 18, 2021 IN THE BOEPPLE 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:

Tony Dawood	Shahram Mohsenin
Calvin D. Farr, Jr.	Allan Rowley
Glenn Simpson	Nancy Vehrs
Michael McGrath	

Directors Absent:

Jeanette M. Rishell
Gary Fields

Others Present:

UOSA Staff:	Robert W. Angelotti Brian L. Owsenek Kevin D. Wolfe Mishelle R. Noble-Blair John W. Airhart June A. Mahoney
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Legal Counsel:	Sally Ann Hostetler (via electronic video conferencing)
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Engineer:	Don Forgacs, Jacobs (via electronic video conferencing)
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Auditor:	Michael Garber, Partner PBMares, L.L.P.
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B. Approval of Minutes

1. Chairman Mohsenin referenced the Board Minutes dated October 21, 2021 and asked the Board for their approval.

MOTION: Director McGrath moved to approve the minutes of the October 21, 2021 Board meeting.

SECOND: Director Vehrs

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. FY-21 Audit

1. Chairman Mohsenin referenced staff memorandum, *FY-21 Audit Presentation* (filed as Exhibit A).
 - a. Mr. Angelotti announced that the Audit Committee met prior to the Board meeting and advised that Mr. Michael Garber, a Partner with UOSA's audit firm PB Mares, L.L.P., was there in-person and would present the audit results to the Board.
 - b. Mr. Garber thanked Mr. Wolfe and the finance staff for another great audit. Unlike last year, this year's audit was performed on-site which made the process go smoothly with all inquiries answered and documents provided in a timely manner. He announced that PBMares issued a clean, unmodified opinion for UOSA's financial statements and internal controls as there were no findings. He suggested the Board take a look at the MD&A and Statistical Section in the draft annual comprehensive financial report as there is a lot of good information presented within.
 - c. Mr. Garber advised that there was only one audit entry this year; the first entry since PBMares has been working with UOSA. He stated that the entry was related to capital assets and depreciation. While forming procedures on capital assets it was determined that an asset was fully depreciated, and during the year an addition or a major improvement was completed on that asset. The software depreciated the full amount of the improvement over the one year, instead of allowing it to depreciate over a period of time. He said this was an isolated incident and staff has already put procedures in place to prevent the software from making this determination in the future. Now a major asset can be assigned a parent and/or a child depreciation schedule when appropriate.
 - d. Director Simpson commended staff on another successful audit.

E. Financial Reports

1. Chairman Mohsenin referenced staff memorandum, *October 2021 Financial Summary* (filed as Exhibit B).
 - a. Mr. Wolfe stated that the October Financial Summary reflected lower O&M expenses than planned primarily due to lower Personnel costs and budget timing differences for Process Chemicals. This was partially offset by higher Facilities Maintenance expenses and budget timing differences for Contract Services. Flows were 5.1 percent lower than planned for the month.
 - b. He reported year-to-date FY-22 O&M expenses through October were lower than budget by approximately \$1 million, primarily due to lower Personnel, Miscellaneous and Electric Power expenses, and budget timing differences for Process Chemicals and Contract Services. Year-to-date flows were 4.4 percent lower than planned.

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

SECOND: Director Simpson

VOTE: Unanimous

2. Chairman Mohsenin referenced staff memorandum, *FY-22 First Quarter O&M Budget Review* (filed as Exhibit C).
 - a. Mr. Wolfe reported that the first quarter O&M budget review for the period ending September 30, 2021, reflected a favorable variance of \$904,000 or 10.8 percent.
 - b. Mr. Wolfe advised that actual flows for the first quarter were 4.2 percent lower than planned. He reported that during the first quarter all budget lines except Administration and Facilities Maintenance were lower than planned. The favorable variance was primarily due to lower Personnel, Miscellaneous, Facilities Operations, and Electric Power expenses, and budget timing differences for Contract Services and Process Chemicals.
 - c. In response to Director McGrath, Mr. Wolfe stated that the favorable Personnel category at this time is a result of twice the number of vacancies than typically budgeted for. He said that while the overall plant operations remain unaffected, this does present a burden on current staff to make up for others where there are gaps and increased overtime reported.

MOTION: Director Vehrs moved to receive and file the FY-22 First Quarter O&M Budget Review.

SECOND: Director Dawood

VOTE: Unanimous

F. Draft Annual Comprehensive Financial Report (ACFR) – FY-21

1. Chairman Mohsenin referenced staff memorandum, *Draft Annual Comprehensive Financial Report (ACFR) – FY-21* (filed as Exhibit D).

MOTION: Director Simpson moved to approve the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021 and authorize its publication and distribution.

SECOND: Director Vehrs

VOTE: Unanimous

G. GFOA Presentation – Certificate of Achievement for Excellence in Financial Reporting for FY-20

1. Chairman Mohsenin referenced staff memorandum, *GFOA Certificate of Achievement for Excellence in Financial Reporting for FY-20* (filed as Exhibit E).

- a. Mr. Angelotti reported that UOSA had received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) of the United States and Canada for its Annual Comprehensive Financial Report (ACFR) for the period ending June 30, 2020. He announced that this was the thirty-second consecutive year UOSA had received this honor and offered his gratitude to Mr. Wolfe and the entire Finance staff. The GFOA considers this award the highest form of recognition in the area of governmental accounting in financial reporting, and that its attainment represents a significant Finance team accomplishment with tremendous effort and attention to detail in the face of ever increasing requirements.

- b. Chairman Mohsenin presented the GFOA plaque to Mr. Kevin Wolfe, UOSA's Director of Finance, along with Mr. Angelotti.
- c. Ms. Hostetler commended staff for receiving this award. She stated that it should not be taken for granted and it is the result a lot of diligent work on the part of staff to accomplish this honor. She advised that this award is a huge factor when UOSA issues bonds and helps attain favorable interest rates. She and the Board thanked staff for their hard work and congratulated all on receiving the honor this year.

H. Ongoing Sole Source Request for Critical Plant Operations

- 1. Chairman Mohsenin referenced staff memorandum, *Ongoing Sole Source Request for Critical Plant Operations* (filed as Exhibit F).
 - a. Mr. Owsenek said the Board may recall that in July 2021, staff requested a sole source for repair of bar screen parts and during that discussion the Board suggested that staff put together a more comprehensive list of sole source equipment that would require board level authorization. Subsequently, at the October 2021 meeting, the Board adopted a resolution aligning UOSA purchasing limits with the current state requirements which increased the threshold for requiring board level authorizations of sole sources from \$100,000 to \$200,000.
 - b. Considering the new higher limit, staff reviewed historical purchasing requirements and sole source authorizations, some of which date back to Project 54. As a result of this review, eight separate vendors were identified as having the potential to exceed the \$200,000 limit for critical equipment (as listed in the memo). He advised that all compliance with the statutory requirements will remain in full effect for any future sole source determination where no other practicable vendor is available at the time of public notice/Executive Director approval/transaction of the purchase. He added that staff believe these risk mitigation measures will allow staff to act quickly in situations where only one source is practicable.
 - c. In response to Director Farr, Mr. Owsenek advised that the sole source process can take a lot of time and particularly in an environment when we have all kinds of supply chain problems, any opportunity to speed things along could be advantageous with regards to reducing the risk of operating the plant. He used the summer break between board meetings as an example of when a sole source purchasing request for critical repairs could have been delayed by two months awaiting presentation to the Board and its action. Essentially staff is requesting in the resolutions that a sole source purchase for the eight identified vendors could move forward for a five-year period, while complying with all other statutory requirements.
 - d. Ms. Hostetler stated that the pre-authorization of these eight sole source resolutions does not eliminate staff obligations. As Executive Director and Deputy Directors both stated, staff will continue to follow the Procurement Act every time there is a sole source procurement. The sole source action at this meeting only pre-clears the Board from having to authorize staffs' actions under the Procurement Act.
 - e. In response to Director Dawood, Mr. Angelotti and Ms. Hostetler advised that the Virginia Procurement Act requires the same process for all sole source situations. However, the Board added an additional

criteria that all sole source procurement over \$200,000 needed Board authorization in addition to the requirements under the Act. The Statute (Section 2.2-4303) requires the same process regardless of amount, only that upon a determination in writing that there is only one source practically available. The \$200,000 threshold for Board approval was added by UOSA.

- f. In response to Chairman Mohsenin, Ms. Hostetler confirmed that this practice of pre-clearing the sole source determination now so staff could move forward without delays, but subject to Procurement Act, is legal, it satisfies the Act and aligns with the UOSA Procurement Resolution that was previously adopted.

MOTION: Director McGrath moved to approve the proposed sole sources for a period of five (5) years for purchases through the vendors listed above to allow prompt service of critical operating systems. Staff will continue to comply with the required process under the Virginia Public Procurement Act each time a sole source procurement is used for any of these items.

SECOND: Director Vehrs

VOTE: Unanimous

I. Energy Project Status

1. Chairman Mohsenin referenced staff memorandum, *Energy Project Status* (filed as Exhibit G).
 - a. Mr. Owsenek summarized the lengthy memo in the Board package. He said UOSA has been focused on reducing the economic and environmental implications of energy use over the years, and numerous energy projects have improved the efficiency of the facility. Those projects included: adding an onsite cogeneration unit, installing two high efficiency blowers, installing a propane gas system, and performing smaller improvements with regard to lighting around the facility. He said many of the energy projects were initiated roughly a decade ago, during a period of high energy costs. Recently, energy prices have been at historic lows and the economic analyses have found that the energy projects are operating approximately at a break even. At current prices, the realized energy savings essentially are offset by the maintenance and debt service costs associated with those projects.
 - b. Mr. Owsenek reported that market energy costs are rising sharply, but thankfully UOSA is insulated from these energy cost changes because of its locked-in contract pricing with NOVEC.
 - c. In response to Director Simpson, Mr. Owsenek said the energy projects were identified in an energy audit by a contracted company in 2013 as potential ESCO projects. Mr. Angelotti added that UOSA procured the ESCO contract through the State ESCO procurement arrangement as a design-build project that had a performance contracting element as well as a shared savings clause with respect to the construction costs saved on the Guaranteed Maximum Price (GMP).
 - d. In response to Director Farr, Mr. Angelotti said there was a performance guarantee that was based on the performance metrics of the installed equipment. For example, the blowers had to perform at a certain amount of kilowatts per unit of air flow. He said there was an investment grade energy audit completed beforehand, and then UOSA chose the energy conservation measures from a list of approximately 25 recommendations.

UOSA then entered into an individual contract for two major projects and performed smaller projects with in-house staff.

- e. Director Simpson inquired about the \$183,000 amount shown on the second page of the memo and if it was a net present value. Mr. Owsenek offered to confirm the number and provide him with the information after the meeting. He stated one chiller was at the end of its life cycle; one chiller had failed and the other was near failure. The recommendation from the energy auditors was to replace the three pieces of equipment, with two smaller and more appropriately sized units. The savings reflected in the memo is a result of more appropriately sized equipment.

MOTION: Director Vehrs moved to receive and file the Energy Project Status.
SECOND: Director Simpson
VOTE: Unanimous

J. Major Project Reports

- 1. Chairman Mohsenin referenced staff memorandum, *November 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) awaits the tentative arrival and install of the first transformer at the plant in March 2022, with the second transformer expected in July 2022. Additionally, NOVEC is going to rebuild the onsite station at the same time.
 - b. Mr. Airhart stated that the Contract AWT (Advanced Wastewater Treatment) contractor has removed interior piping associated with the clino tanks and four of the eight tanks have been demolished outside the building. The electrical subcontractor continues removing electrical components and control wiring in Building L/1 and is nearly completed with the installation of conduits and cable trays. The project schedule shows the contractor is seven days behind schedule. The Substantial Completion Date is unchanged at May 10, 2023. The contractor will be required to show in his next monthly schedule update how the seven days of negative float will be recovered.
 - c. The Ozone Biofiltration design engineer held a 90 percent design workshop on November 1, 2021 and continues addressing the comments and finalizing the documents.
 - d. The design kickoff workshop for the Building U Centrifuge Upgrade was held October 19, 2021 ahead of the original date. The engineers have begun working on the design.
 - e. For Contract R2D2 (Renovations to Residuals and Building D/2), the contractor started filling the digester with clean water for hydrostatic testing last week. In the Building C/1 complex, contractors tested the HVAC units for commissioning. At Anaerobic Avenue, the street paving in front of the digester complex was completed that afternoon at 3:00 p.m. The contractor improved schedule float from negative 37 days to negative 31 days as of the October schedule. The substantial completion requirement for Subproject B work in the Digesters and Building E remains unchanged at January 11, 2022.

- f. The kickoff meeting for the preliminary engineering report (PER) for the P2NR Plus project is scheduled for the following morning.
- g. The MFF (Methanol Feeding Facility) design is being finalized, with bid documents anticipated to be ready for sale in late November 2021 subject to acquiring all necessary permits. He reported there was a separate agenda item for today's meeting, including a request for the Board to authorize Advertisement of the invitation to bid and an engineering task order for the bidding and construction support services.
- h. Mr. Airhart reported on the single active Delivery System Project. He said for the YPIU (Yorkshire Park Interceptor Upgrade), the 90 percent design document review was underway internally and the workshop is scheduled for the following day.
- i. In response to Chairman Mohsenin, Mr. Airhart stated that supply chain issues and material costs have increased but staff has not noticed any labor shortages impacting UOSA projects at this time. He did say that UOSA experienced a delay on the R2D2 project last year due to COVID pandemic and exposure for the contractor. Mr. Angelotti said that staff may be seeing increases in the cost of chemicals and transportation delays, rather than a shortage on supply in general. He said a delay in delivery of Polymer resulted in the rescheduling of an optimization study this past year.

MOTION: Director Vehrs moved to receive and file the November 2021 Project Summary.

SECOND: Director McGrath

VOTE: Unanimous

- 2. Chairman Mohsenin referenced staff memorandum, *Project MFF – Request for Authorization to Advertise the Invitation to Bid After Permit Issuance* (filed as Exhibit I).

- a. Mr. Angelotti said the Board may recall that at the July 2020 Board meeting, the Board authorized staff to proceed with the design of the project to improve UOSA's nitrogen removal capability by adding a methanol feed facility to handle the excess ammonia load anticipated from the Micron facility expansion within the City of Manassas. This project is funded by the City of Manassas with help anticipated from a Virginia Water Quality Improvement Fund grant.
- b. In response to Director Farr, Mr. Angelotti confirmed that it is typical practice to get approval from the Board prior to posting an invitation for bids.

MOTION: Director Rowley moved to authorize the Executive Director to advertise the Invitation to Bid once all the permits are issued.

SECOND: Director Dawood

VOTE: Unanimous

3. Chairman Mohsenin referenced staff memorandum, *Contract MFF – Jacobs Engineering Task Order No. E-04-22 for Bid and Construction Support Services* (filed as Exhibit J).

- a. Mr. Angelotti advised that based on Board’s prior action to move forward with construction and project bidding, staff is requesting authorization for engineering services to support the bid and construction effort. Staff asked Jacobs to prepare the task order for engineering services needed to construct the project. The proposed task order for bid and construction support services is for \$599,486.

MOTION: Director McGrath moved to authorize the Executive Director to execute Task Order No. E-04-22, for \$599,486, with Jacobs for the necessary bid, award and construction support services for Contract MFF.

SECOND: Director Farr

VOTE: Unanimous

K. Staff Reports

1. Safety Briefing

- a. Ms. 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. She provided a quick safety update and said the outside counter that you see when you enter the plant was currently at 234 days without a lost time accident.

- b. She reported that UOSA has seen an additional six new COVID-19 cases since the last meeting which brings the number of cases to 25 since the start of the pandemic; 17 of these occurred this fall and only one of the positive cases had been vaccinated. Currently, UOSA requires that all new employees be fully vaccinated and a negative test result before they begin employment. Staff are continuing to follow UOSA’s Infectious Disease Plan and update it in accordance with Virginia standards and requirements, while also following the CDC requirements, as appropriate.

- c. In response to Director Dawood, Ms. Nobel-Blair shared that approximately 70 percent of UOSA employees are vaccinated which leaves about 50 employees unvaccinated. Director Dawood stated that the City of Manassas was offering a vaccination incentive of \$300 or a paid day off. He said this has helped some with getting staff to provide their proof of vaccination cards. Chairman Mohsenin reported that Fairfax County employees are at 85 percent vaccinated; unvaccinated employees are required to have regular testing.

2. Executive Director’s Report

- a. Mr. Angelotti said that as previously shared, the organization could not hold its typical service award celebration because of the Delta variant of COVID that occurred late summer and into the fall. Instead, individual catered meals were brought in for staff to enjoy in their respective areas, and we arranged for smaller presentations of the service awards to each recipient. He said Ms. Linda Konczal, UOSA’s Human Resources representative put together an excellent video of photos taken during the presentations to our service award recipients and staff wanted to share the video with the Board at this meeting. He

said the ten retirees that UOSA had this past year are acknowledged on a slide towards the end, as we are still not able to celebrate those folks with a traditional gathering. He also mentioned a memorial slide for Mr. Eddie Keiser who passed away this year. He was a bright light that beamed here at UOSA for thirty years in the Facility Maintenance section. He was a true character, always ready with a witty and humorous response; he will be sorely missed.

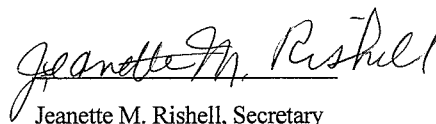
- b. Chairman Mohsenin referenced staff memorandum, *Holiday Greetings* (filed as Exhibit K) and Ms. Mahoney confirmed that she would have all Board members at today's meeting sign the greeting and will make other arrangements to obtain signatures for the two remaining Board Members.
- c. Mr. Angelotti announced that there was no need at this time to hold a December Board meeting. He assured the Board members that they would be notified if there was a change.

3. Legal Counsel's Report

- a. Ms. Hostetler thanked the Board for allowing her to attend the meeting remotely while she is unwell; she did not want to cause concern for others if she attended in person.
- b. She provided an update with regards to the UOSA Service Agreement Amendment process. The Board may recall that recently they approved the language changing how UOSA calculates the flow and load exceedances as set forth in Section 4.3 and 6.7 of the Agreement. That change had been sent to Bond Counsel and they are generally comfortable with the concept of the changes. The Amendment will now be sent to the legal counsels of the member jurisdictions and the Prince William Service Authority for concurrence of that language. Staff will bring back any suggested changes to the Board for their further approval. The Board should anticipate having this to approve closer to the Spring of 2022. UOSA will take this opportunity to include the revised language on flow and load exceedances, along with the 2014 Amendment, and prepare an amended and restated Service Agreement into one complete document

L. Adjournment

MOTION: Director Vehrs moved to adjourn at 4:54 P.M.
SECOND: Director McGrath
VOTE: Unanimous



Jeanette M. Rishell, Secretary
UOSA Board of Directors

Date: January 20, 2022

These minutes are unofficial until signed.