

OCTOBER 20, 2022

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD OCTOBER 20, 2022 IN THE CHARLES P. 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
Calvin D. Farr, Jr.
Gary L. Fields
Michael McGrath

Shahram Mohsenin
Jeanette M. Rishell
Glenn Simpson
Nancy Vehrs

Directors Absent:

None

Others Present:

UOSA Staff:

Robert W. Angelotti
Brian L. Owsenek
Kevin D. Wolfe
John W. Airhart
Roderick Griggs
June A. Mahoney

Legal Counsel:

Sally Ann Hostetler, Odin, Feldman, & Pittleman, P.C.

Engineer:

Don Forgacs, Jacobs

Financial Advisor:

James E. Sanderson, Jr., Senior Vice President
Davenport & Company, LLC

B. Approval of Minutes

1. Chairman Mohsenin referenced the Board Minutes dated September 15, 2022 and asked the Board for their approval.

MOTION: Director Vehrs moved to approve the minutes of the September 15, 2022 Board meeting.

SECOND: Director Simpson

ABSTAINED: 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. None were brought forward during the meeting.

D. Financial Reports

1. Chairman Mohsenin referenced staff memorandum, *September 2022 Financial Summary* (filed as Exhibit A).
 - a. Mr. Wolfe reported that the September Financial Summary reflected lower O&M expenses than planned primarily due to budget timing differences for Contract Services and lower Personnel, Facilities Operations, and Process Chemicals costs, mostly offset by higher Electric Power expenses than planned. Flows were 8.3 percent lower than planned for the month. Year-to-date FY-23 expenses through September were lower than budget by approximately \$439,000, primarily due to lower Personnel, Facilities Operations and Process Chemicals expenses and budget timing differences for Contract Services and Miscellaneous partially offset by higher Electric Power, Facilities Maintenance and Administration expenses than planned. Year-to-date flows were 7.9 percent lower than planned.

MOTION: Director Fields moved to receive and file the September 2022 Financial Summary.

SECOND: Director Vehrs

VOTE: Unanimous

2. Chairman Mohsenin referenced staff memorandum, *FY-22 O&M Budget Review* (filed as Exhibit B).
 - a. Mr. Wolfe said the FY-22 Operations and Maintenance Budget Review ending June 30, 2022 reflected an under-budget amount of approximately \$1.5 million or 4.7 percent. Actual Flows for FY-22 were 33.57 mgd or approximately 7.8 percent below projected flows of 36.4 mgd. UOSA ended the fiscal year with favorable variances for all budget lines except Facilities Maintenance and Miscellaneous.
 - b. Mr. Wolfe said as stated in the memo, the net FY-22 O&M Budget Surplus credited back to the jurisdictions in the December 2022 quarterly billing will be \$571,000. This reflects the entire budget surplus of \$1.5 million, less the amount returned to the jurisdictions in the June 2022 billing.

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

SECOND: Director Vehrs

VOTE: Unanimous

3. Chairman Mohsenin referenced staff memorandum, *UOSA Bond Issuance* (filed as Exhibit C).
 - a. Mr. Wolfe said the Board may recall from the September board meeting they endorsed having staff begin the process of preparing formal resolution documentation for borrowing options and provide a schedule with the timing for our next bond issuance to occur this Fall. He said staff began talks with Counsel and has scheduled the rating agency calls. UOSA's Financial Adviser, Mr. Sanderson was also in attendance to provide a market update for the bond issuance using more recent interest rates and updated project costs from the engineers.
 - b. Mr. Sanderson thanked the Board for having him at the meeting and began his presentation from information that accompanied the staff memo. He reported on market condition changes with regards to interest rates, revenue bonds indexes, treasury rates, tax-exempt rates. He said overall the market is still robust and large bonds are still selling. In addition to the market update, he said the team also reevaluated the capital spending needs for the years 2022, 2023 and 2024 which reduced the borrowing amount by approximately \$25 million.
 - c. In response to Director Vehrs, Mr. Angelotti stated that the recent delays in the timing of projects have been the result of the delayed permitting process within the jurisdiction where the project is planned and not the result of any supply chain issues.

MOTION: Director Fields moved to select financing for two years of capital projects for a Fall 2022 bond issuance and endorsed staff to move forward with the bond issuance process and present the bond documents to the Board at the November 2022 meeting.

SECOND: Director Farr

VOTE: Unanimous

E. FY-23 Third Quarter Appropriation

1. Chairman Mohsenin referenced staff memorandum, *FY-23 Third Quarter Appropriation* (filed as Exhibit D).

MOTION: Director Vehrs moved to appropriate \$8,678,800 to fund Operations and Maintenance for the third quarter of FY-23.

SECOND: Director McGrath

VOTE: Unanimous

F. FY-23 First Quarter Performance Report

1. Chairman Mohsenin referenced staff memorandum, *FY-23 First Quarter Performance Report* (filed as Exhibit E).

- a. Mr. Owsenek reported that plant performance during the first quarter of the fiscal year was outstanding.
- b. Directors Mohsenin and McGrath acknowledged staff's dedication to continuing to obtain an outstanding plant performance once again. A job well done.

MOTION: Director Simpson moved to receive and file the FY-23 First Quarter Performance Report.
SECOND: Director McGrath
VOTE: Unanimous

G. FY-23 Compensation Study

1. Chairman Mohsenin referenced staff memorandum, *FY-23 Compensation Study* (filed as Exhibit F).
 - a. Mr. Angelotti said the Board may recall from the September meeting a question about salary adjustments that were included in the FY-24 Budget Projection and the response that these adjustments are likely to be needed for UOSA to remain competitive in this tight labor market. UOSA's vacancy rate has been high, and staff are finding it very tough to recruit for certain positions, especially skilled labor and experienced trades people. He said today's job market is more competitive than ever and salary compensation is the major factor in being able to attract the best and brightest employees. He added that ensuring UOSA's pay scales are aligned with the local market will help UOSA recruit and retain top tier talent.
 - b. Mr. Angelotti stated that UOSA's last outsourced compensation study was performed more than a decade ago. Since that time, the organization has been successful at performing small snippets of compensation surveys and implementing the occasional adjustments where we found it necessary. As a result, over time this fragmented approach can create internal pay equity issues and potential for over and/or under salary spending on certain positions, especially in such a dynamic and rapidly evolving labor market that we are experiencing right now. A comprehensive salary study of the whole workforce is beyond staff's internal capability and research on this matter suggests eighty percent of human resource professionals use outside sources or consultants to perform salary surveys. A third-party report of this kind will provide transparency and an independent business case for any necessary salary adjustments for the upcoming fiscal year. UOSA received a proposal from Segal Consultants, which is the preferred compensation study vendor, and have a tentative schedule that can work with the FY-24 O&M Budget process.
 - c. Mr. Angelotti advised that UOSA currently has an underrun in the FY-23 O&M Budget in the Miscellaneous category that could be made available to fund this effort. Staff is recommending that the Board authorize proceeding with the compensation study that is described in the memo for \$65,000 with Segal Consultants. He said staff would return to the Board for direction prior to implementing any compensation adjustments within the FY-24 O&M Budget.
 - d. Director Farr stated he is familiar with Segal Consultants and asked if their staff would be able to meet the budget deadlines. In response, Mr. Angelotti said that UOSA staff will need to gather some initial data for Segal and that they have penciled UOSA in to start work during the first part of the new year. He said the plan to have Segal's recommendations included in the FY-24 Budget by Spring is an aggressive schedule, but staff believe it is possible.

- e. In response to Director Dawood, Mr. Griggs stated that UOSA had worked with Segal Consultants in the past as they performed UOSA's last compensation study.
- f. In response to Chairman Mohsenin, Mr. Wolfe and Mr. Griggs stated that UOSA sought bids from three firms and selected Segal Consultants based on their responsiveness and ability to work within the timeframe. They reported that of the other two firms, one was not responsive, and one was slightly lower in cost at \$59,000 but would only do the study remotely. Mr. Griggs said Segal Consultants will be onsite which allows for them to better understand UOSA's unique structure.
- g. In response to Director Farr, Mr. Griggs said the proposed scope of the compensation study is to include all positions in the study with a focus on salaries and pay scales. The scope will not study UOSA's benefit package at this time. Mr. Wolfe said employment candidates are primarily focused on their starting pay which tends to be the major driver in whether they accept a job offer.

MOTION: Director Dawood moved to authorize staff to execute the proposed compensation study and report back to the Board with findings and recommendations prior to implementing Board direction regarding compensation adjustments for the FY-24 O&M Budget.

SECOND: Director McGrath

VOTE: Unanimous

H. Major Project Reports

1. Chairman Mohsenin referenced staff memorandum, *October 2022 Project Summary* (filed as Exhibit G).
 - a. Mr. Airhart reported on Plant Projects. He said for the NOVEC transformer replacement project, the first transformer was received but unfortunately NOVEC expressed concerns with the fit and finish of the ancillary components and is having it sent back to the vendor for a factory repair. UOSA is forgiven rental fees to NOVEC due to delays related to the return of the transformer; NOVEC assured UOSA that they have a similar transformer in their yard that can be offered as a backup unit in case of emergencies.
 - b. Mr. Airhart stated that the Contract AWT (Advanced Wastewater Treatment) contractor is fifteen days behind schedule because of testing and the commissioning phase of equipment that was installed. UOSA will consider reasonable accommodations to help the contractor mitigate the delays. The Substantial Completion Date is unchanged at May 10, 2023.
 - c. The Ozone Biofiltration engineer addressed the first round of comments from the building permit office of Fairfax County and have resubmitted the plans for the second round of commenting and approval.
 - d. The Building U Centrifuge Upgrade (Project U2) engineer continues working on the 100 percent design and submitting plans for building permits. The permit process should be quicker since the project is performed inside the building and does not require a site plan.

- e. The P2NR Plus (Phase 2 Nutrient Reduction Plus) design workshop was held at the end of September 2022. The Preliminary Engineering Report (PER) and the WQIF application is being prepared for submission to DEQ.
- f. The MFF (Methanol Feeding Facility) site plan permit was issued, and the engineer submitted the plan to the building permit office and is awaiting comments.
- g. Mr. Airhart reported on the single active Delivery System Project, the YPIU (Yorkshire Park Interceptor Upgrade). Conflicts with the Route 28 Bypass project have made it prudent for UOSA to wait until the PWC DOT design team finalizes a horizontal alignment of the road before finalizing the pipeline project scope.

MOTION: Director Simpson moved to receive and file the October 2022 Project Summary reports.
 SECOND: Director Vehrs
 VOTE: Unanimous

2. Chairman Mohsenin referenced staff memorandum, *Flat Branch Interceptor (FBI) Wellington Road Undercrossing Repair* (filed as Exhibit H).

- a. Mr. Owsenek said the Board may recall that in September 2021 staff came to the Board requesting a sole source approval for the repair of the undercrossing at Wellington Road. The work was performed by AM-Liner and we are happy with the work that was performed. In the course of the work, they found a deteriorated segment, about thirty feet long, that was concealed and unforeseen. The extra work was completed and they presented a change order for \$47,000. We negotiated that down to \$36,883 making the overall project cost still well below the engineers total cost estimate. However, the amount exceeds the twenty percent contingency allowed under the Board's original sole source authorization. Staff is requesting a Board authorization for UOSA to pay the contractor the negotiated sum of \$36,883.

MOTION: Director Vehrs moved to authorize the Executive Director to pay AM-Liner the negotiated \$36,883 for the unforeseen conditions encountered in this work.
 SECOND: Director McGrath
 VOTE: Unanimous

I. Staff Reports

1. Safety Briefing

- a. Mr. Angelotti announced that Ms. Noble-Blair was unable to attend the meeting due to some recent health issues. He will be providing the Safety Report until her return. On behalf of the Board, Chairman Mohsenin wished Ms. Noble-Blair a speedy recovery.
- b. Mr. Angelotti reported that UOSA has gone two straight weeks without a single COVID-19 case and the incident rate is dropping which is great news.

- c. Mr. Angelotti provided an update on two of UOSA's Safety Awareness initiatives, one is the Forklift Safety program and the other is the Crane Safety program. He said the Forklift program is formalizing lift inspection checklists, recommended maintenance schedules, and that UOSA's Safety Officer is now forklift certified to train other trainers. Staff will move forward with drafting training procedures. He said the Crane Safety program is in its infancy and a team was recently pulled together to solidify the goals and objectives for this safety initiative.

2. Executive Director's Report

- a. Mr. Angelotti announced that a new alternate board member was selected to represent Fairfax County. He congratulated Mr. Shwan Fatah, the Director of Wastewater Collection for Fairfax County Department of Public Works and Environmental Services and welcomed him to the UOSA Board. Director Fatah was unable to attend today's meeting due a prior commitment. Director Fatah will replace Mr. Stacey Smalls as an alternate to the UOSA Board.

3. Legal Counsel's Report

- a. Ms. Hostetler referenced memorandum, *2022 Policy and Procedures for Electronic Board Meetings* (filed as Exhibit I). She said the Board may recall that she provided them with an update of the Virginia Freedom of Information Act (FOIA) changes for 2022 and advised that the amendments regarding procedures for electronic meetings went into effect September 2022 and therefore UOSA's 2020 policy would need to be revised as well.
- b. Ms. Hostetler said UOSA's 2020 policy had two parts, one addressed remote participation for an individual board member and the second addressed electronic meetings during emergencies. The latter part has been codified by the General Assembly as it was previously part of the budget bill. The FOIA Advisory Council also provided guidance on "best practices" with regard to electronic meetings and what personal reasons an individual might use to participate remotely. Personal reasons range from unexpected traffic to a flat tire, a family vacation, or a scheduling conflict. A member could participate remotely twice per year.
- c. Ms. Hostetler stated that the new Part II of the policy is the most significant change as it permits the Board to have all virtual meetings, if the Board desires to do so. The all-virtual option can be adopted as part of the policy with the option to use it at any future time. UOSA has the facilities to be able to do a hybrid (in-person with virtual capabilities) meeting, as well as an all-virtual meeting. In response to Director Farr, Ms. Hostetler stated that UOSA could easily switch between meeting formats should there be a short notice need, like due to inclement weather. She said that staff would simply need to advertise the change of its meeting venue/format the same way it advertises all meetings (e.g., via email and the organization's website). She also stated that the Public would have the same capabilities to speak as they have at UOSA's Board meetings now. Ms. Hostetler said she

did not believe there was a time frame or a required lead time for meeting notifications to be posted prior to the meeting, but she would check into it.

- d. Ms. Hostetler advised that one other minor change is that a board member is automatically approved to participate virtually within their two meeting per year limit. If there is an objection by the Board, then a reason would need to be given to obtain approval. Previously, the board member would have to seek approval to participate at the beginning of any meeting they attended virtually.
- e. Director Rishell mentioned that some Councils now have a presence on YouTube which can be semi-interactive by submitting questions during the session and waiting to have them answered at the end. She said it would be up to UOSA on whether that added value to the meeting process.

MOTION: Director Simpson moved to approve and adopt the 2022 Policy and Procedures for Electronic Board Meetings.

SECOND: Director Vehrs

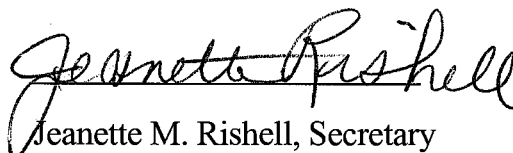
VOTE: Unanimous

L. Adjournment

MOTION: Chairman Mohsenin moved to adjourn at 4:56 P.M.

SECOND: Director Simpson

VOTE: Unanimous


Jeanette M. Rishell, Secretary
UOSA Board of Directors

Date: November 17, 2022

These minutes are unofficial until signed.