

NOVEMBER 17, 2022

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD NOVEMBER 17, 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	Shahram Mohsenin
Calvin D. Farr, Jr.	Jeanette M. Rishell
Gary L. Fields	Glenn Simpson
Michael McGrath	Nancy Vehrs

Directors Absent:

None

Others Present:

UOSA Staff:	Robert W. Angelotti Brian L. Owsenek Kevin D. Wolfe John W. Airhart June A. Mahoney
Legal Counsel:	Sally Ann Hostetler, Odin, Feldman, & Pittleman, P.C.
Engineer:	Don Forgacs, Jacobs
Auditor:	Michael Garber, Partner PBMares, L.L.P.
Financial Advisor:	James E. Sanderson, Jr., Senior Vice President Davenport & Company, LLC

B. Approval of Minutes

1. Chairman Mohsenin referenced the Board Minutes dated October 20, 2022 and asked the Board for their approval.

MOTION: Director Vehrs moved to approve the minutes of the October 20, 2022 Board meeting.

SECOND: Director Vehrs

ABSTAINED: Director McGrath

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. FY-22 Audit

1. Chairman Mohsenin referenced staff memorandum, *FY-22 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. He reported that 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 annual comprehensive financial statements and internal controls as there were no findings.

E. Chairman Mohsenin referenced staff memorandum, *UOSA 2022 Series Bond Documents* (filed as Exhibit B).

- a. Mr. Angelotti said the Board may recall during the October board meeting they endorsed staff to move forward with the bond issuance process to finance two years of the capital projects and to present the bond documents at this meeting. He advised that since last month, rating agency calls were held and announced that UOSA received a AAA rating from Fitch, but staff await ratings from the remaining two agencies, Moody's and S&P, with hopes to have more on that in the next few days. He advised that Mr. Sanderson was available to answer any questions the Board may have.
- b. Mr. Sanderson greeted the Board and provided an update on current market conditions with interest rates having improved some with the passing of the national elections earlier in the November. With the Board's approval at this meeting to move forward with the bond issuance, staff would be on schedule to lock-in interest rates the first week in December 2022.
- c. In response to Chairman Mohsenin, Mr. Sanderson stated that the term "Canadian Interest Cost" found within Section 3.A. was a general industry term.
- d. Director Farr brought attention to a typo found within the documents, as it listed him as the Vice Chairman of the UOSA Board. Ms. Hostetler thanked him and stated that this would be corrected.

MOTION: Director Rishell moved approval of the form of and the issuance of the Resolution Authorizing the Issuance and Sale of the Bonds; the Sixteenth Supplemental Restated Agreement of Trust; the Preliminary Official Statement; the Official Notice of Sale and the Disclosure Agreement between UOSA and its Member Political Subdivisions; and authorization for the Board Chairman, Vice Chairman, or UOSA's Executive Director to sign the aforementioned Resolution and Disclosure Agreement on behalf of UOSA and to take such actions as are necessary for the issuance of the 2022 Bonds.

SECOND: Director Vehrs

VOTE: Unanimous

F. Financial Reports

1. Chairman Mohsenin referenced staff memorandum, *October 2022 Financial Summary* (filed as Exhibit C).
 - a. Mr. Wolfe reported that the October Financial Summary reflected lower O&M expenses than planned primarily due to lower Personnel and Miscellaneous expenses and budget timing differences for Contract Services partially offset by higher Facilities Maintenance and Electric Power expenses than planned. Flows were 15.6 percent lower than planned for the month.
 - b. Mr. Wolfe said year-to-date FY-23 expenses through October were lower than budget by approximately \$562,000, primarily due to lower Personnel and Miscellaneous expenses and budget timing differences for Contract Services partially offset by higher Electric Power and Facilities Maintenance expenses than planned. Year-to-date flows were 9.8 percent lower than planned.

MOTION: Director Simpson moved to receive and file the October 2022 Financial Summary.

SECOND: Director Vehrs

VOTE: Unanimous.

2. Chairman Mohsenin referenced staff memorandum, *FY-23 First Quarter O&M Budget Review* (filed as Exhibit D).
 - a. Mr. Wolfe reported that the first quarter O&M budget review for the period ending September 30, 2022, reflected a favorable variance of \$471,000 or 5.3 percent.
 - b. Mr. Wolfe advised that actual flows for the first quarter were 7.9 percent lower than planned. He reported that during the first quarter all budget lines except Administration and Electric Power were lower than planned. The favorable variance was primarily due to lower Personnel, Miscellaneous, and Facilities Operations expenses, and budget timing differences for Contract Services partially offset by higher Electric Power expenses.
 - c. In response to Director McGrath, Mr. Wolfe stated that the favorable Personnel category at this time is a result of a higher vacancy rate than planned, lower retiree expenses, and lower use of temporary staff early in the year. He stated the vacancies have presented some challenges, but some have been filled recently.

MOTION: Director Simpson moved to receive and file the FY-23 First Quarter O&M Budget Review.

SECOND: Director McGrath

VOTE: Unanimous

G. Draft Annual Comprehensive Financial Report (ACFR) – FY-22

1. Chairman Mohsenin referenced staff memorandum, *Draft Annual Comprehensive Financial Report (ACFR) – FY-22* (filed as Exhibit E).

MOTION: Director Simpson moved to approve the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2022 and authorize

its publication and distribution.

SECOND: Director Vehrs

VOTE: Unanimous

H. GFOA Presentation – Certificate of Achievement for Excellence in Financial Reporting for FY-21

1. Chairman Mohsenin referenced staff memorandum, *GFOA Certificate of Achievement for Excellence in Financial Reporting for FY-21* (filed as Exhibit F).
 - 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, 2021. He announced that this was the thirty-third 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 along with Mr. Angelotti, presented the GFOA plaque to Ms. Christina Campbell, UOSA's Assistant Controller.

I. Major Project Reports

1. Chairman Mohsenin referenced staff memorandum, *November 2022 Project Summary* (filed as Exhibit G).
 - a. Mr. Airhart reported on Plant Projects. He provided an update for the NOVEC transformer replacement project, the first transformer delivered onsite did not meet the contract requirements and will be sent back to the fabrication plant. The second transformer that is still in the factory will be upgraded to be compliant with the contract requirements so it can be shipped in December.
 - b. Mr. Airhart stated that the Contract AWT (Advanced Wastewater Treatment) some pipes in the pipe galley had been sandblasted and primed for paint, and the new backwash pumps were tested at the factory while the engineer observed the testing. The testing report will be reviewed by the engineer before the pumps are released and shipped to the site. The contractor remains fifteen days behind schedule. The Substantial Completion Date is unchanged at May 10, 2023.
 - c. The Ozone Biofiltration (OBF) engineer services during construction task order was negotiated and is on the agenda as a separate item of discussion.
 - d. The Building U Centrifuge Upgrade (Contract U2) engineer submitted plans for building permits, those were approved, and associated project fees were paid to Fairfax County.
 - e. The P2NR Plus (Phase 2 Nutrient Reduction Plus) project progresses as staff continue to compile data to use in the WQIF grant funding application to be submitted to DEQ.
 - f. The MFF (Methanol Feeding Facility) site plan permit was approved and awaits a certificate to construct. The engineer is preparing the paperwork for that and meeting with Fairfax County for special inspections.

- g. Mr. Airhart reported on the single active Delivery System Project, the YPIU (Yorkshire Park Interceptor Upgrade). The project remains on hold until conflicts with the Route 28 Bypass project are better understood. Events have made it prudent for UOSA to wait until the PWC DOT design team finalizes a horizontal alignment of the road before UOSA can finalize the pipeline alignment and scope in that area of the project.

MOTION: Director Farr moved to receive and file the November 2022 Project Summary reports.

SECOND: Director Rishell

VOTE: Unanimous

- 2. Chairman Mohsenin referenced staff memorandum, *Contract OBF – Engineering Service During Construction – Task Order No. 5* (filed as Exhibit H).

- a. Mr. Angelotti said the design for this project is essentially complete and the final stages of permitting with Fairfax County and preparing bidding documents are the next steps. As described in the memo, this project’s eligibility is viewed favorably for Bipartisan Infrastructure Law Emerging Contaminants funding, otherwise known as a BIL EC grant, available through the principal forgiveness feature of the Virginia Clean Water Revolving Loan Fund program. As guidance for this grant program is still getting refined, several questions remain about implementation, so UOSA is going to need the engineer’s help in structuring the bid to include all the necessary requirements for obtaining federal funding. Staff asked CDM Smith to prepare the task order for the scope of engineering and construction support services in the amount of \$4,861,567.

- b. In response to Director Farr, Mr. Angelotti explained that the 18 percent of construction is typically included in the project cost projections when planning for construction services needed on CIP projects. He said for this project staff looked at the comparison metrics with other projects that are the same size and scope and the 18 percent falls within the historic range of 10 to 23 percent. He recalled that a similar completed project, Phase 1 Nutrient Reduction, had needed additional support services from the engineer due to its federal funding status and the SDC cost outcome was 23 percent of construction at the completion of that project.

- c. Mr. Angelotti advised that the additional support for Federal funding may or may not be required as those services are dependent on grant approval, but it is best to plan for it now. Also, in response to Director Farr, he stated that staff explored how The Buy America Act (BAA) requirement could impact the project and found that UOSA may be eligible for a waiver because the planning and design of the project began prior to the cut-off date published in guidance.

MOTION: Director Farr moved to authorize the Executive Director to execute Task Order No. 5 with CDM Smith for Contract OBF services during construction.

SECOND: Director Vehrs

VOTE: Unanimous

J. Staff Reports

1. Safety Briefing

- a. Mr. Angelotti reported that UOSA had only one new COVID-19 case since the end of September. He said employees are still required to report COVID-19 exposure and positive cases according to internal policies.
- b. Mr. Angelotti advised the safety training and focus this month was on confined spaces, fall protection, trenching and excavation safety. The Virginia Risk Sharing Association (VRSA) provided the class which included presentations, hands on demonstrations, and real application scenarios that helped staff understand how to handle situations in a safe manner. This topic was also coupled with an internal safety focus on slips, trips, and falls.
- c. Mr. Angelotti provided an update on the Crane Safety Program, UOSA's Safety Awareness initiative that was mentioned at last month's meeting. He said a meeting with outside safety experts was held to discuss program goals, objectives, and tasks involved and the team worked out a schedule. He stated that the consultant was shown examples of the nearly eighty cranes and various lifting devices that UOSA owns so they could be considered in the assessment of the program and possible improvements. In the next few months, the implementation of any recommendations will be followed by a training phase for the appropriate staff.

2. Executive Director's Report

- a. Chairman Mohsenin referenced staff memorandum, *Holiday Greetings* (filed as Exhibit I) and Ms. Mahoney confirmed that she would have all Board members at today's meeting sign the greeting.
- b. 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 stated that she had nothing to report.

K. Adjournment

MOTION: Chairman Mohsenin moved to adjourn at 4:33 P.M.
SECOND: Director Simpson
VOTE: Unanimous



Jeanette M. Rishell, Secretary
UOSA Board of Directors

Date: January 19, 2022 2023 ^{JAN}

These minutes are unofficial until signed.