

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD JUNE 20, 2024, 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:

Calvin D. Farr, Jr.	Allan Rowley
Michael McGrath	Patrick Small
Richard Meyer	Nancy Vehrs
Shahram Mohsenin	

Gary L. Fields – (via electronic video conferencing)

Directors Absent:

None

Others Present:

UOSA Staff:

Brian Steglitz
Brian L. Owsenek
Kevin D. Wolfe
Mishelle Noble-Blair
Kandi Mitchell

Legal Counsel:

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

Financial Advisor:

Jimmy Sanderson, Davenport & Company LLC

B. Approval of Board Member Remote Attendance

1. Chairman Mohsenin indicated Director Fields would be attending the meeting remotely and asked him to state the reason and his location.
2. Director Fields responded that he was in Orlando, Florida and on vacation.

MOTION: Director Meyer moved to approve Director Fields remote attendance.

SECOND: Director Vehrs

VOTE: Unanimous

C. Approval of Minutes

1. Chairman Mohsenin referenced Board Minutes dated May 16, 2024, and asked the Board for their approval.
 - a. Director Small did not recall abstaining from approving the minutes in the prior meeting and asked if there is a rule or policy requiring abstention if you are not present for the meeting.

- b. Ms. Hostetler replied that historically counting a vote as abstained when the member is not present is typical but if Director Small feels strongly about it, we will record his vote accordingly.
- c. Director Small said he was happy to vote yes.

MOTION: Director Vehrs moved to approve the minutes, amended as discussed, of the May 16, 2024, Board meeting.

SECOND: Director McGrath

VOTE: Unanimous

D. 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. Mitchell stated that she had not received any ahead of the meeting. None were brought forward during the meeting.

E. UOSA 2010B Bond Refunding Opportunity

1. Chairman Mohsenin referenced staff memorandum, *UOSA 2010B Bond Refunding Opportunity* (filed as Exhibit A).
 - a. Mr. Wolfe stated UOSA Staff and our financial advisors continually look for opportunities to reduce our debt service through refundings. An opportunity to refund our 2010B Build America Bonds has recently come about. Mr. Wolfe introduced Mr. Jimmy Sanderson from Davenport & Company LLC to present supporting information.
 - b. Mr. Sanderson presented the refunding information referenced in the slide handout.
 - c. Director Small asked if the net savings reference included transaction fees and Mr. Sanderson replied that it did.
 - d. Director Small asked if this is a limited time opportunity and if not, are we doing an issue anytime in the foreseeable future with which this might be combined? Mr. Sanderson indicated the provision is available at any time, although timing for a positive outcome is a consideration, and no other combinable bond issues are planned for a couple of years.
 - e. Chairman Mohsenin asked for clarification regarding interpretation of the definition of “extraordinary call” to determine if UOSA qualifies. Mr. Sanderson responded that conversations with Bond Counsel and evaluation of our documents indicate UOSA has the authority to apply this extraordinary redemption call.
 - f. Director Small asked if a decision is needed today. Mr. Sanderson replied that a decision was not being requested today and explained the normal process would be for Staff and Bond Counsel to return next month with a resolution if the Board wants to move forward.
 - g. The Board conferred and agreed to make a motion to proceed.

MOTION: Director Small moved to have Staff proceed with preliminary work to bring back to the Board at the next meeting.

SECOND: Director Vehrs

VOTE: Unanimous

F. UOSA Contract OBF – Contract Award Recommendation Update

1. Chairman Mohsenin referenced staff memorandum, *UOSA Contract OBF – Contract Award Recommendation Update* (filed as Exhibit B) and PowerPoint slides, *June 2024 Board Presentation* (filed as Exhibit C).
 - a. Mr. Steglitz presented a recap of the OBF project to date and the recommended roadmap moving forward.
 - b. Following the presentation Director Farr asked what the timeline was for the roadmap. Mr. Steglitz responded approximately one year for the roadmap, though some elements may take longer, and six months for the Rerating Study.
 - c. Director Rowley asked if Staff anticipates a major re-engineering of the project when OBF is reassessed in the future. Mr. Steglitz replied that some was possible based on time and technology changes, but parts of the current plan and scope could be implemented at a future date without substantial re-engineering.
 - d. Director Rowley asked for confirmation of grant non-availability in the future and Mr. Steglitz confirmed the current grant would no longer be available to UOSA although other opportunities may be available to pursue in the future.
 - e. Director Vehrs asked about PFAS source reduction and if a media campaign to make citizens aware would be a benefit. Mr. Steglitz replied that it would be a good thing to do in partnership with our neighboring jurisdictions and indicated they may have some already in action.
 - f. Director McGrath asked if UOSA has entered into any class action lawsuits against PFAS manufacturers. Mr. Steglitz said no.
 - g. Director Fields asked if the opportunity costs were quantified in contrast to the risk cost of losing the grant. Mr. Steglitz replied that the biggest opportunity cost was not spending \$45 million on a project that is not needed at this time and leveraging those resources towards other projects that will provide immediate benefit.

MOTION: Director Small moved to recommend the Board cancel the solicitation for Contract OBF and that staff be directed not to enter into a contract for the OBF project at this time, and that Staff be directed to reassess the Ozone-BAF in collaboration with other stakeholders at a future time to determine when and if the project should be resumed.

SECOND: Director Farr

VOTE: Unanimous

G. Financial Reports

1. Chairman Mohsenin referenced staff memorandum, *May 2024 Financial Summary* (filed as Exhibit D).
 - a. Mr. Wolfe stated that the May Financial Summary reflects higher O&M expenses than planned, primarily due to higher requirements and budget timing differences for Facilities Maintenance and Contract Services expenses, coupled with higher Personnel expenses partially offset by lower Electric Power and Process Chemicals. Flows were 14.5 percent lower than planned for the month. Year-to-date FY-24 expenses through May were lower than budget by approximately \$1.85 million, primarily due to a combination of lower Process Chemical expenses, Personnel, Miscellaneous, Facilities Operations, and Electric Power expenses, along with some budget timing differences for Contract Services. Year-to-date flows were 8 percent lower than planned.

MOTION: Director McGrath moved to receive and file the May 2024 Financial Summary.

SECOND: Director Vehrs

VOTE: Unanimous

2. Chairman Mohsenin referenced staff memorandum, *UOSA O&M Budget Surplus Return* (filed as Exhibit E).
 - a. Mr. Wolfe reported a year-to-date budget surplus of over \$1 million and stated per the normal return procedures that 50 percent of the \$1.85 million surplus, or \$925,000, will be returned to the jurisdictions in the June quarterly billing. The surplus per jurisdiction is as follows: Fairfax \$349,000, Prince William \$373,000, City of Manassas \$165,000, and City of Manassas Park \$38,000.

MOTION: Director Vehrs moved to receive and file the Budget Surplus Report.

SECOND: Director Meyer

VOTE: Unanimous

H. FY-24 Audit

1. Chairman Mohsenin referenced staff memorandum, *FY-24 Audit* (filed as Exhibit F).
 - a. Mr. Wolfe stated just prior to the Board meeting that he met with the audit committee and audit partner, Mike Garber from PBMares. They discussed the scope and timing of the audits. The onsite preliminary audit was completed last week, and the final audit will be in September. There were no issues, weaknesses, concerns, or other control issues to identify. A deeper dive will be in September at the final audit, but all is progressing as normal and routine. Mr. Wolfe invited the audit committee to comment further.
 - b. Chairman Mohsenin asked the Board if there were any questions regarding the audit and there were none.

I. FY-25 O&M Budget Amendment – Market Rate Adjustment

1. Chairman Mohsenin referenced staff memorandum, *FY-25 O&M Budget Amendment – Market Rate Adjustment* (filed as Exhibit G).
 - a. Mr. Steglitz referenced the updated memorandum placed at Board member seats (filed as Exhibit H) and explained that Staff completed an assessment to address market competitiveness and inflationary pressures. Staff are proposing a \$2,000 market rate adjustment per UOSA employee, which would have an equivalent budget impact to a 2% across the board salary adjustment, excluding the Executive Director and Deputy Executive Director.
 - b. Chairman Mohsenin thanked Staff for making the distribution of the adjustment more equitable for lower paid employees by increasing all salaries by a static amount verses a percentage of salary.

MOTION: Director Vehrs moved to approve the Market Rate Adjustment of \$2,000 excluding the Executive Director and Deputy Executive Director.

SECOND: Director Small

VOTE: Unanimous

J. O&M Budget FY-25 First Six-Month Appropriation

1. Chairman Mohsenin referenced staff memorandum, *O&M Budget FY-25 First Six-Month Appropriation* (filed as Exhibit I) and asked if there was a motion to approve.

MOTION: Director Meyer

SECOND: Director Vehrs

VOTE: Unanimous

K. Major Project Reports

1. Chairman Mohsenin referenced staff memorandum, *June 2024 Project Summary* (filed as Exhibit J).
 - a. Mr. Owsenek reminded the Board that Mr. John Airhart was retiring at the end of June and was unable to attend the Board meeting due to a family emergency. Mr. Owsenek reported on Plant Projects in his stead.
 - b. Mr. Owsenek referenced a few images onscreen (filed as Exhibit K) of ongoing work and stated that Clark Construction Group LLC (Clark), the contractor for the MFF (Methanol Feeding Facility) project, continued with concrete work, installing pipe, and duct bank installation. The project schedule currently shows 200 days behind and the contractor indicates they are making an effort to regain lost time. UOSA and the engineer are expediting submittal review and assisting in ways permitted, but not required, by contract. A claim is expected for changed work associated with the fire suppression system. Total WQIF grant funds received to date \$403,225. Required Contract Substantial Completion date is January 3, 2025.
 - c. The Building U centrifuge upgrade (Contract U2) project contractor, Clark, continued providing detailed submittals for equipment and

material procurements. Contract constraints do not allow any field work to begin until the dewatering centrifuge is shipped, ETA is the end of July. The required Contract Substantial Completion date is August 10, 2025.

- d. For Contract LB (C54 Laboratory Renovations), a final review meeting was held on May 29. The revised final drawing set is expected by June 14. Upon final proofing and UOSA approval, the engineer will seal and submit the drawings to Fairfax County for review and permitting. Staff will request Board approval to advertise for bid later this year. The engineer's current Opinion of Probable Construction Cost (OPCC) is \$12.6 million with a project duration of eighteen months.
- e. The engineer on the P2NR Plus (Phase 2 Nutrient Reduction Plus) project continued working on the 90 percent design and addressing staff comments. Staff met with Fairfax County and eliminated costly requirements for a project Site Plan. The 60 percent OPCC was \$38.5 million with potential for further adjustment in scope and price. UOSA has submitted a WQIF grant request for \$4.2 million that is scheduled for DEQ's final decision in September 2024.
- f. Mr. Owsenek addressed a previous question about Plant capacity and the Rerating Study and indicated a comprehensive report would be available later in the fall. He then invited the Board to ask questions about any other projects listed on the agenda for the meeting.
- g. Director Farr asked when the PFAS investigation framework began. Mr. Owsenek replied this is a small project by CDM which began two or three months ago. He explained the intent of the project is to identify where PFAS is being transformed in UOSA processes and how we might mitigate that.

MOTION: Director Rowley moved to receive and file the June 2024 Project Summary report.

SECOND: Director Vehrs

VOTE: Unanimous

L. Staff Reports

1. Safety Briefing

- a. Ms. Noble-Blair provided the Safety Briefing. She reported that UOSA days without a lost time injury or accident was 49 days, and we are looking forward to continuing that trend. She also reported continued emphasis for employees on the effects of heat stress and prevention as we have been experiencing many days of high temperatures recently.

2. Executive Director's Report

- a. Mr. Steglitz reminded the Board they were previously invited to attend the UOSA Annual Service Awards Luncheon scheduled for June 26, 2024, at the Fox Chase Manor in Manassas. Mr. Steglitz said unfortunately he was unable to attend due to a previously planned trip.
- b. Mr. Steglitz announced John Airhart's retirement and recognized him for his years of service to UOSA.
- c. Mr. Steglitz reported that he has continued to meet with Board members and Staff, individually and during team meetings, to become

more familiar with UOSA. He stated he has also met with external stakeholders such as OWML, Micron, Fairfax Water, and the peer utility AlexRenew. Chairman Mohsenin shared his appreciation for Mr. Steglitz' outreach endeavors.

3. Legal Counsel's Report

- a. Ms. Hostetler stated that she had nothing to report.

M. Adjournment

MOTION: Director Vehrs moved to adjourn at 5:40 P.M.

SECOND: Director Meyer

VOTE: Unanimous


Richard Meyer, Secretary
UOSA Board of Directors

Date: July 18, 2024

These minutes are unofficial until signed.