

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD AUGUST 22, 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.	Shahram Mohsenin
Gary L. Fields	Allan Rowley
Michael McGrath	Patrick Small
Richard Meyer	Nancy Vehrs

**Directors Absent:**

None

**Others Present:**

UOSA Staff:	Brian Steglitz Kevin D. Wolfe June Mahoney
Legal Counsel:	Sally Ann Hostetler, Odin, Feldman, & Pittleman, P.C.
Financial Advisor:	James E. Sanderson, Jr., Senior Vice President Ty Wellford, Senior Vice President Davenport & Company, LLC
Bond Counsel (remote attendance):	Martha Warthen, Senior Attorney Brendan Staley, Partner Hunton Andrews Kurth, LLP
Engineers:	Don Forgacs, Jacobs Rich Voigt, Jacobs

B. Approval of Minutes

1. Chairman Mohsenin referenced Board Minutes dated July 18, 2024, and asked the Board for their approval.

MOTION: Director McGrath moved to approve the minutes of the July 18, 2024, 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 she had not received any ahead of the meeting. None were brought forward during the meeting.

D. UOSA 2010B Bond Refunding Opportunity

1. Chairman Mohsenin referenced staff memorandum, *UOSA 2010B Bond Refunding Opportunity* (filed as Exhibit A).
  - a. Mr. Wolfe said the Board may recall from last month's meeting, a presentation with an updated bond analysis and discussion of benefits and concerns of the potential refunding of UOSA's 2010B Build America Bonds (BABs). Ultimately, the Board approved a resolution which authorized staff to proceed with the first steps in the refunding: to appoint bond council, consider the details of the bonds and the necessary documents, and to establish a savings threshold at a future board meeting. Mr. Jimmy Sanderson and Mr. Ty Wellford, our Financial Advisors from Davenport Company LLC, were there to provide a brief review and answer any questions. UOSA's Bond Counsel, Ms. Martha Wharton and Mr. Brendan Staley, from Hunton Andrews Kurth, LLP attended via electronic video conferencing.
  - b. Mr. Sanderson explained that assumptions are being used to calculate the savings reflected in the Bond Resolution (on page 3, paragraph 1) which requires a savings of at least \$1 of debt savings to UOSA as a predicate for the redemption to proceed. Because the potential savings are of future debt service and that relates to the sequestration levels that the federal government is going to impose in the future, in order to meet the Bond Resolution threshold of \$1 debt service savings, we are calculating the debt service based upon historical figures of 5.7% through 2030 and 8.7 thereafter for the life of the bonds. While the 5.7% through 2030 is statutory, it could change. The 8.7% is based on the most severe sequestration level to date. These are assumptions and numbers that will be used in calculating the threshold savings in the Resolution.
  - c. Director Meyer asked that the calculation rationale be reflected in the meeting minutes as Mr. Sanderson confirmed that it does not appear elsewhere in the documents, only in the transcript documents that generate the numbers. Director Meyer advised that if the Board were using its discretion, it is important to be able to point to something in the minutes that explains why the Board used that discretion for the record.
  - d. In response to Chairman Mohsenin, there was some discussion on what the driver was for the fluctuation (i.e. historical ups and downs) in sequestration. Mr. Wellford advised that it is driven by the annual budget negotiation processes. After 2021, there was a concern that the subsidy program would 100% go away but instead there was a 5% reduction for a window of time through 2030. Mr. Staley stated that the fluctuation has been between 5% and 8% over the past decade.

MOTION: Director Small moved to ratify staff's actions in proceeding with the refunding opportunity; approve the form of and the issuance of the Resolution Authorizing the Issuance and Sale of the 2024 Series Bonds through a competitive or negotiated sale; the Seventeenth Supplemental Restated Agreement of Trust; the Preliminary Official Statement and the Notice of Sale; and to authorize the Board Chairman, Vice Chairman, or UOSA's Executive Director to sign the Resolution on behalf of UOSA and to take such actions as are necessary for the issuance of the 2024 Bonds provided the savings meet or exceed a threshold determined by the Board.

SECOND: Director Rowley

VOTE: Unanimous

MOTION: Director Meyer moved to amend the previous motion to include the Financial Advisor's recommendation reflected in these minutes and in the Financial Advisor's presentation (attached as Exhibit B to these minutes) on how to calculate the Debt Service savings that is set forth in the Resolution. Thus the new Motion is to ratify staff's actions in proceeding with the refunding opportunity; approve the form of and the issuance of the Resolution Authorizing the Issuance and Sale of the 2024 Series Bonds through a competitive or negotiated sale; the Seventeenth Supplemental Restated Agreement of Trust; the Preliminary Official Statement and the Notice of Sale; and to authorize the Board Chairman, Vice Chairman, or UOSA's Executive Director to sign the Resolution on behalf of UOSA and to take such actions as are necessary for the issuance of the 2024 Bonds provided the savings meet or exceed the provided the savings meet or exceed the threshold determined by the Board, including the Financial Advisors' recommendation of how to calculate such savings as reflected in these minutes and in the Financial Advisor's presentation.

SECOND: Director Fields

VOTE: Unanimous

#### DISCUSSION:

- e. Director Small requested a copy of the Credit Rating Presentation package. Mr. Sanderson said a copy would be provided to staff once it was finalized, and then forwarded to the Board.
- f. In response to Director Small, Mr. Wellford advised that UOSA's current bond rating was AA1, AAA, and AAA.

#### E. Closed Session

1. Chairman Mohsenin announced that a closed session was needed to discuss the 90-day performance review of Brian Steglitz. Mr. Steglitz requested that Ms. Hostetler attend the closed session.

MOTION: Director Small moved that the Board convene a closed session at 4:26 P.M. pursuant to Virginia Code § 2.2-3711(A)(1), for the purpose to conduct a 90-day performance review of Brian Steglitz.

SECOND: Director Vehrs

VOTE: Unanimous

2. Chairman Mohsenin asked for a motion to accept certification of the closed session per the following:

CERTIFICATION OF CLOSED MEETING

WHEREAS, the Upper Occoquan Service Authority Board of Directors ("UOSA") has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provision of The Virginia Freedom of Information Act; and

WHEREAS § 2.1-344.1 of the Code of Virginia requires a certification by UOSA that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that UOSA hereby certifies that, to the best of each member's knowledge, (i) only public business matters lawfully exempted from open meeting requirements by Virginia law were discussed in the closed meeting to which this certification resolution applies, and (ii) only such public business matters as were identified in the motion convening the closed meeting were heard, discussed or considered in the closed meeting.

MOTION: Director Vehrs moved to return to regular session at 6:57 P.M and accept Certification of Closed Meeting.  
SECOND: Director McGrath  
VOTE: Unanimous

F. Adjournment

MOTION: Director Fields moved to adjourn at 6:57 P.M.  
SECOND: Director Meyer  
VOTE: Unanimous



Richard Meyer, Secretary  
UOSA Board of Directors

Date: September 19, 2024

*These minutes are unofficial until signed.*