

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD FEBRUARY 20, 2025 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
Brian L. Owsenek
Kevin D. Wolfe
June Mahoney

Legal Counsel: Sally Ann Hostetler, Odin, Feldman, & Pittleman, P.C.

Engineer: Don Forgacs, Jacobs

Financial Advisor (remote attendance): Ty Wellford, Senior Vice President
Davenport & Company, LLC

B. Approval of Minutes

1. Chairman Mohsenin referenced the Board Minutes dated January 16, 2025, and asked the Board for their approval.

MOTION: Director Small moved to approve the minutes of the January 16, 2025 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. None were brought forward during the meeting.

D. Administrative Reports

1. Chairman Mohsenin referenced staff memorandum, *January 2025 Financial Summary* (filed as Exhibit A).
 - a. Mr. Wolfe reported that the January Financial Summary dashboard shows the total year-to-date O&M actuals and budgets remain in line with each other at 55 and 59 percent complete, respectively. Overall, year-to-date FY-25 expenses are \$1.4 million or 6 percent under budget. Reserve Maintenance expenses are running ahead of budgets due to an expense hit in January for a submersible pump replacement at Flat Branch pump Station. Flows continue to run under budget for FY-25 and were 11 percent below projections for January and 12 percent under budget year-to-date.
 - b. In response to Director McGrath, Mr. Doug Hague, UOSA's Chief Operations Officer (COO) advised the Board that UOSA participated in the Interruptible Natural Gas event, but experienced a vaporizer issue and UOSA would likely incur penalties. Staff adjusted equipment to mitigate the penalties and there is no indication that UOSA would not continue to receive the reduced rate for participating in the interruptible gas program.

MOTION: Director Vehrs moved to receive and file the January 2025 Financial Summary.

SECOND: Director Farr

VOTE: Unanimous

2. Chairman Mohsenin referenced staff memorandum, *UOSA Reconciliation of Capital Expenditures to Bond Allocations* (filed as Exhibit B).
 - a. Mr. Wolfe said the Board may recall that staff completed an interim reconciliation of the 2019 Bonds and the 2022 Bonds in February 2024. A current CIP Reconciliation policy states UOSA will complete an annual CIP reconciliation every February or March and as necessary for each bond issue.
 - b. Mr. Wolfe reported that staff completed the interim reconciliation for the 2019 Bonds and the 2022 Bonds, which encompasses an analysis of actual and forecasted CIP expenditures. The 2019 Bond analysis is based on actual costs to date and forecasted expenditures from UOSA's February CIP Update and Plan of Finance. Staff recommends maintaining current debt service allocations for the 2019 bonds and wait until the results of the next CIP reconciliation before considering any debt service changes for the 2019 Bonds which would allow an analysis of more actual project expenditures and a shorter window of forecasted expenditures, which can be subject to significant change.
 - c. Mr. Wolfe reported the 2022 Bond analysis is based almost entirely on forecasted expenditures from UOSA's February CIP Update and Plan of Finance. As a result, the analysis of the 2022 Bonds is a high-level speculative analysis. Staff recommends maintaining current debt service allocations for the 2022 Bonds and to wait till the results of the next CIP reconciliation to consider any debt service changes.

MOTION: Director Rowley moved staff recommendations 1) to receive the CIP Reconciliation for the 2019 Bonds and the 2022 Bonds and 2) maintain current debt service allocation for the 2019 Bonds until those funds are fully depleted and for the 2022 Bonds until the 2025 annual CIP Reconciliation is completed, to provide a more accurate balance of actual and forecasted expenditures for the analysis.

SECOND: Director Vehrs
VOTE: Unanimous

3. Chairman Mohsenin referenced staff memorandum, *FY-25 Second Quarter O&M Budget Review* (filed as Exhibit C).

- a. Mr. Wolfe reported that the Second Quarter FY-25 Operations and Maintenance budget review for the period ending December 31, 2024, reflected a favorable variance of \$539,000 or 5 percent and actual flows for the quarter were 14.5 percent lower than planned. During the Second Quarter, all budget lines except Facilities Maintenance were lower than planned and remained consistent with quarterly expenses. Year-to-date expenses through December 31, 2024 were lower than planned by 6 percent and flows were under by 12.3 percent.

MOTION: Director Vehrs moved to receive and file the FY-25 Second Quarter O&M Budget Review.

SECOND: Director Rowley
VOTE: Unanimous

4. Chairman Mohsenin referenced staff memorandum, *January 2025 Project Summary* (filed as Exhibit D).

- a. Mr. Steglitz said staff would answer any questions or address any concerns of the Board. He reported that while staff continue to work on crafting a report to include dashboards, the memo format had changed slightly to include each project's highlights, schedule, and budget status.
- b. Chairman Mohsenin requested future reports include the percent of project complete.

MOTION: Director Vehrs moved to receive and file the report.

SECOND: Director Rowley
VOTE: Unanimous

5. Chairman Mohsenin referenced staff memorandum, *February 2025 Safety Report* (filed as Exhibit E).

- a. Mr. Steglitz reported that unfortunately UOSA had a lost time injury with the past month. While the employee received a minor injury, staff are reviewing the safety program around that particular incident, re-evaluating overhead equipment anchor point installation and their intended use.

MOTION: Director McGrath moved to receive and file the report.

SECOND: Director Vehrs
VOTE: Unanimous

6. Chairman Mohsenin referenced staff memorandum, *2024 Nutrient Credit Review* (filed as Exhibit F).

- a. Mr. Steglitz thanked Ms. Mishelle Noble-Blair for a robust explanation of what the Nutrient Exchange program is and for summarizing the current circumstances on how the credits are obtained and the required forms needed by the participating member jurisdictions and their approaching deadlines. He advised that while the Total Suspended Solids (TSS) Credits have been

part of the Agreement, it was only recently that the calculation factors were formally determined by DEQ. The TSS credits are now available beginning this year. He reiterated the importance of UOSA staff having the correct contact information for each member jurisdiction that was shared in the memo.

MOTION: Director Fields moved to receive and file the review.
SECOND: Director Vehrs
VOTE: Unanimous

E. Action Items

1. Chairman Mohsenin referenced staff memorandum, *FY-25 Fourth Quarter Appropriation* (filed as Exhibit G).

MOTION: Director Vehrs moved to appropriate \$10,504,350 to fund Operations and Maintenance for the fourth quarter of FY-25.
SECOND: Director McGrath
VOTE: Unanimous

2. Chairman Mohsenin referenced staff memorandum, *UOSA Capital Improvements Program (CIP) – February 2025 Update* (filed as Exhibit H).

- a. Mr. Erick Schlosser, UOSA's Chief Technical Officer (CTO), presented slides (filed as Exhibit I) to support the CIP Update and highlight the decreases related to deferral [Dryer replacement, possible change in land application regs] and elimination [i.e. ozone biofiltration facility] from previously planned projects.

- b. In response to Director Rowley, Mr. Schlosser acknowledged that the projected costs at the far end of the 10-year window are not as realistic as those presented within a 3-year window. Mr. Steglitz stated that an upcoming Master Plan effort would provide more clarity in the 10-year window.

- c. In response to Director Farr, Mr. Schlosser and Mr. Steglitz touched on staff's strategy for "right-timed" projects and rehabilitation efforts. Mr. Steglitz advised that the previous strategy for an expansion from 54 MGD to 60 MGD had been revised to now build things as they are needed or incrementally as supported by the Rerating Study and upcoming Master Plan. He also mentioned the meetings with the Raftelis firm regarding UOSA's Cost Allocation structure may have some impact on exceedances vs potential capacity expansions.

- d. After some discussion, Director Farr requested staff to provide a written explanation on how the CIP will be impacted with this new approach and how the growth needs for Prince William and Manassas will be addressed in the context of the Service Agreement cost sharing amendment that allocates an additional 3 MG each to both Prince William County and the City of Manassas. Mr. Steglitz responded that staff would prepare a written response as part of next month's Board packet.

MOTION: Director Rowley moved to endorse the February 2025 CIP Update as an adjustable planning assumption for moving forward with CIP efforts and as the base plan for the generation of a February Updated Plan of Finance to be presented by UOSA's Financial Advisor.

SECOND: Director Small
VOTE: Unanimous

3. Chairman Mohsenin referenced staff memorandum, *UOSA Updated Plan of Finance* (filed as Exhibit J).
 - a. Mr. Wolfe said that when comparing this Plan of Finance to last years, he advised that Prince William Water and the City of Manassas are showing significant decreases that are related to the plant expansion projects being removed for now, but those costs would be added back in smaller projects, incrementally over time. Mr. Wolfe introduced UOSA's Financial Advisor, Mr. Ty Wellford, from Davenport & Company, to present the Updated Plan of Finance. Mr. Wellford said the recent inclement weather in Richmond prevented him from being at the meeting in person and he thanked the Board for allowing him to participate remotely.
 - b. Mr. Wellford presented and further explained the Updated Plan of Finance that incorporated the previously endorsed February 2025 CIP numbers into a debt service model to provide a forecast of UOSA's debt service projections. He provided the Board with a sense of what was happening in the current financial market. He stated that the model shows the next bond issues may be needed in the years 2026, 2029 and 2032.

MOTION: Director Fields moved to adopt, for planning purposes, the Davenport February 2025 Plan of Finance, which will be used to complete the FY-26 Debt Service Budget and be presented by staff to the Board for approval at the March 2025 Board Meeting.

SECOND: Director Vehrs
VOTE: Unanimous

F. Staff Reports

1. Executive Director's Report
 - a. Mr. Steglitz announced that Mr. Brian Owsenek retirement was approaching and that a reception for Friday, March 28, 2025 at 2:00 p.m. will be held in the same room as today's meeting. Ms. Mahoney would follow up with a calendar invite for the Board.
 - b. Mr. Steglitz said as previously mentioned in today's meeting, meetings with Raftelis and each member jurisdiction to begin the cost allocation study would be scheduled for late March 2025.
 - c. He advised the Board that the Laboratory renovation project was moving forward and that Lab staff had moved to their offsite facility. He thanked the Prince William Water Laboratory for helping with some analytical testing in the interim period while UOSA's lab folks get settled in.
 - d. Mr. Steglitz recognized Director Farr for being featured in the AWWA Journal January-February 2025. He announced that it was a great article about African-American leaders in the water industry.
 - e. Mr. Steglitz referenced the following as actions that were currently in the legislative arena for the Federal and State levels, and how that may impact UOSA:
 - i. UOSA will be following actions by the new administration carefully. Potential impacts include funding for State revolving loan fund programs, and also tariffs on steel and aluminum. These could

impact costs for upcoming capital projects.

ii. Bills being pursued:

- in Congress, HR 1267 is a Bipartisan Bill to protect water, wastewater utilities from CERCLA liability associated with PFAS designation as hazardous waste.
- in the Virginia legislature, *House Bill No. 2050*, regarding the Occoquan Reservoir PFAS Reduction Program, was shared with the Board at last month's meeting and staff are continuing to monitor its status.
- the Virginia legislature, *Senate Bill 1319*, has to do with self-reporting PFAS manufacture and use for any industry.
- the Virginia legislature, *House Bill 2482*, is about mandatory apprentice labor hours for capital projects. If passed and signed by the Governor, it would be effective July 1, 2026. If this applies to UOSA (at this time it is not completely clear if it does), this requirement may reduce competitiveness on capital projects because it will reduce the number of qualified contractors.

iii. PFAS in Biosolids – many states have passed biosolid regulations with regards to PFAS and land application. Virginia has not adopted this yet, but Maryland has and UOSA's biosolids are distributed along the entire east coast.

f. Mr. Steglitz announced that today's meeting would be Director Fields last meeting. Director Fields was recognized with a formal Resolution (filed as Exhibit K) and a parting gift from staff. Director Fields thanked staff and his fellow board members for the past nine years serving on the Board.

MOTION: Director Vehrs moved to adopt the Resolution recognizing Director Fields for his time as a UOSA Board of Director and his service to UOSA and the environmental community.

SECOND: Director Meyer

VOTE: Unanimous

2. Legal Counsel's Report

a. Ms. Hostetler stated there was nothing to report.

G. Adjournment

MOTION: Director Fields moved to adjourn at 5:07 P.M.

SECOND: Director Rowley

VOTE: Unanimous



Richard Meyer, Secretary
UOSA Board of Directors

Date: March 20, 2025

These minutes are unofficial until signed.