

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD MAY 15, 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
Michael McGrath	Allan Rowley
Joshua McNeal	Patrick Small
Richard Meyer	Nancy Vehrs

**Directors Absent:**

None

**Others Present:**

UOSA Staff:	Brian Steglitz
	Kevin D. Wolfe
	Doug Hague
	June A. Mahoney

Legal Counsel:	Sally Ann Hostetler, Odin, Feldman, & Pittleman, P.C.
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Engineers:	Don Forgacs, Jacobs
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B. Approval of Minutes

1. Chairman Mohsenin referenced Board Minutes dated April 17, 2025, and asked the Board for their approval.

MOTION: Director Small moved to approve the minutes of the April 17, 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 none were received ahead of the meeting. None were brought forward during the meeting.

D. Administrative Reports

1. Chairman Mohsenin referenced staff memorandum, *FY-25 Audit* (filed as Exhibit A).

- 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 of the audit at a high level, the audit timing, and addressed general questions. Mr. Wolfe invited the audit committee to comment further.
  - b. As members of the Audit Committee, Director Vehrs and Director Meyer shared a topic that arose during their meeting as to whether there was a charter or a chair for the Committee. After some discussion on the topic, Ms. Hostetler was able to advise that there is not a charter, nor is there a requirement to identify a chair for the Audit Committee. However, she did read aloud the current language included in the UOSA Bylaws that pertains to the role of the Treasurer. It says, "the Treasurer shall be a Board member and a member of the Board's Audit Committee and shall participate in the selection of any auditors and/or financial advisors retained by the Authority." She stated that duties typically performed by a chair, such as scheduling the committee meetings and calling them to order, were historically handled by the Assistant Treasurer, Mr. Wolfe. The Board was comfortable continuing with that process without any formal changes at this time.
  - c. Chairman Mohsenin asked the Board if there were any questions regarding the audit and there were none.
2. Chairman Mohsenin referenced staff memorandum, *April 2025 Financial Summary* (filed as Exhibit B).
- a. Mr. Wolfe reported that the April Financial Summary dashboard shows the total year-to-date O&M actuals and budgets remain in line with each other at 80 and 83 percent complete, respectively. Overall, year-to-date FY-25 expenses are still running approximately \$1.6 million or 4.5 percent under budget. He noted that in the Operations and Maintenance Budget, Contract Services expenses were over budget due to a timing of several line items including electrical equipment, HVAC services, engineering services and dryer related services. Miscellaneous expenses were over budget, primarily due to off-site lab-related expenses, some Water Research Foundation project expenses, and Raftelis expenses for the Cost Allocation Project. Reserve Maintenance expenses continued running ahead of budgets at 86 percent versus 83 percent year-to-date. Flows were under budget 14 percent for the month and continue to run under budget by over 12 percent FY-25 year-to-date.
  - b. Mr. Wolfe advised the Board that the O&M Budget surplus return procedures indicate that a budget surplus over \$1 million at the time of the June Board Meeting will be designated as a significant surplus, and fifty percent of the surplus will be returned to the jurisdictions in the June quarterly billing. He stated that the budget surplus currently stands at \$1.6 million therefore the member jurisdictions would expect a budget surplus return in the June quarter billing.
  - c. Similarly to an earlier recommendation by Director Small, Director Farr asked staff find a way to provide more context in the Summary by including previous year actuals. Mr. Wolfe acknowledged the request and said staff would find a way to work that into future reports.

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

SECOND: Director McGrath

VOTE: Unanimous

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

- a. Mr. Wolfe reported that the Third Quarter period ending March 31, 2025 reflected a favorable variance of \$208,000 or 2 percent and actual flows for the quarter were 11 percent lower than planned. He said that during the Third Quarter, favorable variances in Contract Services, Facilities Maintenance, and Electrical Power were partially offset by higher Miscellaneous expenses. Consistent with the quarterly expenses, year-to-date expenses through March 31, 2025 were under budget by approximately 5 percent and flows were under by approximately 12 percent.

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

SECOND: Director Vehrs

VOTE: Unanimous

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

- a. Director Farr asked if the “engaging our team with consultants” language referred to filling a gap with consultants to augment staffing or if that was task by task. Mr. Steglitz advised that it was a little of both. Jacobs has provided a resident engineer to fill a short-term staffing gap. UOSA is also using consultants on a project-by-project basis to elevate their involvement to fill the gap we currently have in project management services.

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

SECOND: Director Vehr

VOTE: Unanimous

5. Chairman Mohsenin referenced staff memorandum, *May 2025 Safety, Security, and Emergency Preparedness Report* (filed as Exhibit E).

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

SECOND: Director Vehrs

VOTE: Unanimous

#### E. Action Items

1. Chairman Mohsenin referenced staff memorandum, *FY-26 & FY-27 Budget Options* (filed as Exhibit F).

- a. Mr. Steglitz reminded the Board that at the May meeting, the Board tabled the approval of the FY-26 & FY-27 Draft Budgets, to allow staff to prepare a modified budget to include a Personnel impact of a 2 percent Cost-of-Living Adjustment (COLA) and a 0-3 percent performance-based merit increase, and then subsequently reduce the overall budget increase to a 3.0 percent increase. Mr. Steglitz acknowledged that staff worked hard to prepare and present the Board with modified budget options in advance to allow extra time to review the new options and to submit questions to staff. He provided a slide presentation (filed as

Exhibit G) to help detail the deductions made to the FY-26 & FY-27 Budgets and their associated risks. The three budget options that staff developed were:

- i. Option 1 – Modify original Budget to incorporate a 2% COLA and 0-3% merits. Year-over-year budget increase of 5.44% in FY-26 and 1.4% in FY-27.
  - ii. Option 2 – Modify original Budget to incorporate a 2% COLA, 0-3% merits. Year-over-year budget increase of 3.00% in FY-26 and 3.94% in FY-27.
  - iii. Option 3 – Modify original Budget to incorporate a 2% COLA, 0-3% merits, delay implementation of several new initiatives and reduction of overtime. Year-over-year budget increase of 4.31% in FY-26 and 2.6% in FY-27. This option is recommended by staff.
- b. Mr. Steglitz and staff answered several questions from the Board pertaining to maintenance needs, the various initiatives, and how some initiatives were tied to UOSA's strategic plans.
  - c. Director Meyer stated that the Board had three different options before them where a lot of really careful work had been performed by staff and the information was very clear.

MOTION: Director Meyer moved to approve Option 3 that represents an overall budget increase of 4.31% and 2.6% for FY-26 and FY-27 respectively, for the Operations & Maintenance, Reserve Funds and Reserve Maintenance Budgets.

SECOND: Director Small

VOTE: Unanimous

#### DISCUSSION:

- e. Mr. Steglitz asked if the Board had an opinion on how the COLA should be implemented to staff, either 2% based on their salary or \$2,000 for each employee. The consensus of the Board was to use the equitable distribution of \$2,000 for each employee to be administered in the first July paycheck. Mr. Steglitz advised that adjustments for those who had not been employed at UOSA for the entire year would be \$1,000 (i.e. those who started between January 1, 2025 and June 30, 2025).
  - f. Director Farr and Chairman Mohsenin expressed concern for salary compression and asked staff to consider this in future COLA requests.
  - g. In response to Director Farr, Mr. Wolfe said that staff will continue evaluating the potential ways future budget cycles could be moved up to allow for additional review time by the Board.
  - h. Director Small thanked staff again for the budget exercise for the Board's indulgence.
  - i. Mr. Wolfe advised that staff would pull together a final, revised and all-encompassing update, with the breakdown by jurisdiction at the next meeting.
2. Chairman Mohsenin referenced staff memorandum, *CIP Projects – HVAC Systems & Building Envelopes and Site, Site Piping, Electrical, and Paving* (filed as Exhibit H).

- a. Mr. Steglitz said the memorandum represented two CIP Projects. Due to the nature of these projects, staff will be using a variety of project delivery mechanisms and will not have one singular project where a single contractor will do all the work. Some of the tasks might involve directly contracting with a vendor of a product or a service. The value of individual contracts may exceed the Executive Director's authorization. Staff is asking the Board to provide the Executive Director with the authority to approve individual contracts that exceed \$200,000 associated with these two initiatives up to the project costs included in the Board-approved capital improvement plan. Director Meyer clarified that these initiatives had been approved as part of the CIP and due to the dollar limitation of the Executive Directors authority, today's approval by the Board would delegate that authority for these two projects now without having to return to the Board later as the individual projects and contracts are let.

MOTION: Director Small moved to authorize the Executive Director to approve component contracts associated with the HVAC systems & building envelopes, site and site piping, electrical and paving CIP projects above the \$200,000 threshold not to exceed the total project values from the Board approved February 2025 CIP Update.

SECOND: Director McGrath

VOTE: Unanimous

3. Chairman Mohsenin referenced staff memorandum, *Design Services for Filter Press Systems in Building H/1* (filed as Exhibit I).

- a. Mr. Steglitz said this project is taking the normal route for a capital project and was approved in the CIP. The preliminary design report was completed and staff was requesting the approval of a contract with Carollo Engineering for their engineering services to complete the design of the project which involves making improvements to our filter press system in one of the process buildings.

- b. In response to Director McGrath, Mr. Steglitz said he did not have the estimated cost of construction number with him but he could provide that as follow up to the meeting. Director McGrath requested that staff follow up to confirm that engineering services were less than 15 percent of the estimated construction cost.

MOTION: Director McGrath moved to authorize the Executive Director to execute the Task Order No. 2 with Carollo for engineering services totaling \$296,220 assuming that engineering services did not exceed 15% of estimated construction costs.

SECOND: Director Small

VOTE: Unanimous

## F. Staff Reports

### 1. Staff Presentations

- a. Regional Biosolids Facility – Mr. Hague, UOSA's Chief Operating Officer (COO), provided a slide presentation (filed as Exhibit J) as an overview of an effort that UOSA is participating in with regards to the growing concern for PFAS and its impact on biosolid land applications with the potential for stricter regulations. He detailed the partnership created through a Memorandum of Understanding (MOU) for the

possibility of a future 2040 facility investment for the various parties if there are economies of scale. He stated an RFP was created for engineering services to evaluate if a regional biosolids facility would be beneficial to others who are currently handling their biosolids independently and through various process avenues. He advised that Alex Renew holds the contract for a one-year term feasibility study, that includes five voting entities along with collaboration from Arlington and Fairfax Water. He shared that a meeting was held in December 2024 and proposals were received in January 2025. The initiative remains on schedule.

2. Executive Director's Report

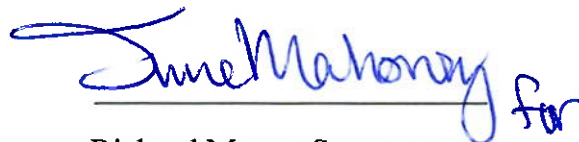
- a. Mr. Steglitz provided a status update on the proposed Federal budget and its substantial cut to the SRF Program that supports the State's Revolving Loan Fund. UOSA intends to access the fund for future capital work. Impacts to UOSA projects at this time is undetermined.
- b. Mr. Steglitz advised that EPA recently provided feedback on how they are thinking about regulating PFAS in the drinking water system. He said this directly impacts Fairfax Water. The recommendation being made is to extend the compliance deadline by two years, moving the 2029 target deadline to 2031. The additional time will be good for planning purposes for those entities in the region. He said EPA has not modified its proposed MCLs for PFOA/PFOS at this time.
- c. Mr. Steglitz provided a few reminders:
  - UOSA's Annual Service Award luncheon is set for June 11, 2025 at noon, held at Foxchase Manor in Manassas.
  - The date of the upcoming June Board Meeting is offset by one day due to the Juneteenth Holiday. The June Board meeting will be held on Wednesday, June 18, 2025 at 4:00 pm.
  - The virtual work session with Raftelis on the UOSA Cost Allocation Project is scheduled for May 20, 2025 at 9:00 am.

3. Legal Counsel's Report

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

G. Adjournment

MOTION: Director Meyer moved to adjourn at 5:13 P.M.  
SECOND: Director Vehrs  
VOTE: Unanimous



Richard Meyer, Secretary  
UOSA Board of Directors

Date: June 18, 2025

*These minutes are unofficial until signed.*