

A REGULARLY SCHEDULED MEETING OF THE BOARD OF DIRECTORS OF THE UPPER OCCOQUAN SERVICE AUTHORITY WAS HELD FEBRUARY 19, 2026, 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
Joshua McNeal, IV	Nancy Vehrs
Shahram Mohsenin	Richard Meyer (via electronic video conferencing)

**Directors Absent:**

None

**Others Present:**

UOSA Staff:

Brian Steglitz  
Kevin D. Wolfe  
Erick Schlosser  
June A. Mahoney

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

Engineers: Don Forgacs, Jacobs

Financial Advisors: James E. Sanderson, Jr., Senior Vice President  
Ty Wellford, Senior Vice President  
Davenport & Company, LLC

Consultants: Christine Noonan and Edward Mullen,  
Founding Partners, Seven Hills Strategy Group  
(via remote participation)

B. Approval of Board Member Electronic Participation

1. Chairman Mohsenin indicated Director Meyer would be attending the meeting remotely and asked him to state the reason and his location.
2. Director Meyer stated that he was at his residence in the City of Manassas and could not attend in person due to medical reasons.

MOTION: Director Vehrs moved to approve Director Meyer's remote participation.

SECOND: Director Small

VOTE: Unanimous

C. Approval of Minutes

1. Chairman Mohsenin referenced Board Minutes dated January 15, 2026 and January 29, 2026, and asked the Board for their approval.
2. A printout of suggested edits (filed as Exhibit A) was left at their places to include in the approval of both minute files.

MOTION: Director Vehrs moved to approve the minutes of January 15, 2026 and January 29, 2026 Board meeting with staff's suggested edits.

SECOND: Director Farr

ABSTAINED: Director Rowley, for January 15, 2026

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. Mahoney stated that none were received ahead of the meeting. None were brought forward during the meeting.

E. Administrative Reports

1. Chairman Mohsenin referenced staff memorandum, *January 2026 Financial Summary* (filed as Exhibit B).

- a. Mr. Wolfe said that for the January Financial Summary dashboard the total Operations and Maintenance (O&M) budget and actuals continue to be in line with each other at 60 percent and 57 percent complete respectively. Year-to-date O&M expenses were 5 percent or approximately \$1.26 million under budget overall.

January's O&M was under budget primarily due to budget timing differences for the Contract Services, Administration, and Miscellaneous categories. Year-to-date O&M was under budget, primarily due to budget timing differences and higher septage hauler fees in our Miscellaneous category, along with budget timing differences and lower usage of Chemicals and lower Personnel expenses. Those were partially offset by higher requirements for Maintenance Materials, Outside Services, and Buildings & Grounds in our Facilities Maintenance category.

- b. Mr. Wolfe stated that Reserve Maintenance remained under budget and ended the month at 48 percent complete year-to-date. Flows were under budget by approximately 19 percent for January and 14 percent year-to-date.

MOTION: Director Rowley moved to receive and file the January 2026 Financial Summary.

SECOND: Director McGrath

VOTE: Unanimous

2. Chairman Mohsenin referenced staff memorandum, *UOSA Reconciliation of Capital Expenditures to Bond Allocations* (filed as Exhibit C).

- a. Mr. Wolfe advised that staff found a typo referencing Prince William

County Service Authority (PWCSA) on each chart and that it would be corrected to Prince William County (PWC) in future reports. Director Rowley inquired about a Fairfax County number in red, Mr. Wolfe advised that it was a typo and should not have been red.

- b. Mr. Wolfe said the Board may recall that staff completed an interim reconciliation of the 2019 Bonds and the 2022 Bonds in February 2025. A current CIP Reconciliation policy states UOSA will complete an annual CIP reconciliation every February or March and as necessary for each bond issue.
- c. 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 allocations that will for a shorter window of forecasted expenditures, which can be subject to change.
- d. Mr. Wolfe said staff recommends maintaining current debt service allocations for the 2022 Bonds and waiting till the results of the 2027 CIP reconciliation before considering any allocation changes to those bonds as well.

MOTION: Director Vehrs 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 and the 2022 Bonds until the 2027 annual CIP Reconciliation is completed, to provide a more accurate balance of actual and forecasted expenditures for the analysis.

SECOND: Director Farr

VOTE: Unanimous

- 3. Chairman Mohsenin referenced staff memorandum, *FY-26 Second Quarter O&M Budget Review* (filed as Exhibit D).
  - a. Mr. Wolfe reported that the subject memo has been updated to include the Reserve Maintenance expenses and that there may be additional enhancements in future quarterly reviews. He said the Second Quarter FY-26 Operations and Maintenance budget review for the period ending December 31, 2025, reflected a favorable variance in both Operations and Maintenance and Reserve Maintenance. Actual flows for the quarter were 19 percent lower than planned. Second quarter O&M favorable variances were primarily due to budget timing differences for several line items, higher septage hauler fees, lower usage and pricing for lime, budget timing differences for Chemicals, lower Personnel expenses, and some budget timing differences for several line items within Contract Services. Reserve Maintenance Planned purchases are on track to remain within budget and Demand commitments are less than expected year-to-date.
  - b. In response to Director McGrath, Mr. Steglitz advised the increase in biosolids disposal was a result of the dryers being out of service. These were the offset associated expenses with using the landfill during that time.

MOTION: Director Vehrs moved to receive and file the FY-26 Second Quarter O&M Budget Review.

SECOND: Director McGrath

VOTE: Unanimous

4. Chairman Mohsenin referenced staff memorandum, *January 2026 Project Summary* (filed as Exhibit E).

- a. As shared in the memo prepared by Mr. Atapoor, UOSA's Capital Program Manager, Mr. Steglitz mentioned that staff were successful in negotiating the easements required for the Yorkshire Park Interceptor Upgrade project and that no condemnations were necessary.

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

SECOND: Director Rowley

VOTE: Unanimous

5. Chairman Mohsenin referenced staff memorandum, *February 2026 Safety, Security, and Emergency Preparedness Report* (filed as Exhibit F).

- a. As shared in the memo prepared by Mr. Gruenspecht, UOSA's Safety & Security Program Manager, Mr. Steglitz mentioned that unfortunately there were a few slip and fall incidents associated with the icy weather event. However, there were no significant injuries and staff are doing their best to keep the property safe for all.

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

SECOND: Director Vehrs

VOTE: Unanimous

6. Chairman Mohsenin referenced staff memorandum, *February 2026 Strategic Communications & Engagement Report* (filed as Exhibit G).

- a. As shared in the memo prepared by Ms. Schaefer, UOSA's Communication Specialist, Mr. Steglitz mentioned that later in the agenda would be a presentation on the UOSA Brand Evolution effort.

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

SECOND: Director Vehrs

VOTE: Unanimous

7. Chairman Mohsenin referenced staff memorandum, *2025 Nutrient Credit Review* (filed as Exhibit H).

- a. Mr. Steglitz said the Board may recall that UOSA is able to allocate/offer its nutrient credits to its member jurisdictions once a year and this review memorializes those credits for 2025.

- b. In response to Director McGrath, Ms. Mishelle Noble-Blair stated that decrease in phosphorus credits is a result of a change in the way the delivery factor is calculated in the Chesapeake Bay Model, the order of magnitude went from 0.31 to 0.04. Director McGrath also suggested staff reach out to the Occoquan Watershed Monitoring Laboratory (OWML) to see if they have reviewed the delivery factor from a scientific basis. Ms. Noble-Blair said she would consider this and other questions during

UOSA's next permit renewal.

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

SECOND: Director Vehrs

VOTE: Unanimous

8. Chairman Mohsenin referenced staff memorandum, *Strategic Plan Dashboard* (filed as Exhibit I).

a. Mr. Steglitz said staff had taken the previously adopted Strategic Plan that included focus areas and objectives, and had generated specific goals for area to attempt to complete by the fiscal year's end. Staff intends to provide a status report to the Board at the end of each quarter and then at the end of the fiscal year. The final report for the fiscal year would determine the goals that need to be advanced into the following.

b. Chairman Mohsenin thanked staff for preparing the impressive list of goals and sharing it with the Board. He suggested staff add mechanism to prioritize the goals in each category, if they had not already done so. Director Small suggested noting what budget initiatives the goals are tied to, when possible.

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

SECOND: Director Vehrs

VOTE: Unanimous

9. Chairman Mohsenin referenced staff memorandum, *UOSA Financial Analysis and Peer Comparatives* (filed as Exhibit J).

a. Mr. Steglitz introduced UOSA's Financial Advisor, Mr. James Sanderson, from Davenport & Company, to present on peer comparisons of financial metrics and where UOSA stands evaluating its financial health.

b. Mr. Sanderson presented slides that were attached to the Board memo. He shared the importance of the rating agencies and how they view UOSA as an entity, as well as, the general policies and agreements that guide UOSA's financial decisions.

c. Mr. Sanderson stated that the comparison exercise was done a few months prior to and at that time Davenport relied primarily on public documents that were readily available. Director Farr shared his concern that the comparison depicts that Prince William does not have some policies in place and that is not accurate (i.e. slide 19) and could be misleading. Director Farr asked that document be updated to reflect current information if it were to be shared. Mr. Wolfe responded that he had been contacted about the information and will work with his counterpart to get that updated.

d. Mr. Wolfe said in the report from Davenport, UOSA is an outlier in most categories compared to peers, based on how it's structured and governed. There are not many opportunities to better its standing against peers or use any new financial metrics to measure itself against. Regarding the financial guidelines in place, the Service Agreement and Agreement of Trust with our trustee provide guidance and guardrails for financial management, but formalizing some financial policies to mirror the guidance in place may have some value.

- e. Mr. Wolfe said there was no action needed by the Board, although staff would like to review the financial policies and procedures, see if any need to be formalized, and pursue a line of credit as well just to cover for emergencies (i.e. cash on hand reserves). He said a possible avenue would be a line of credit. Director Farr said he was in support of staff pursuing the information for a line of credit and what the criteria may be and what costs would be for that option. Mr. Wolfe advised that he had begun to look into a line of credit just to see what carrying fees may look like; nothing official at this time.
- f. In response to Director Small, Mr. Steglitz said staff is only making the Board aware of the risk that exists from a financial standpoint. This review opportunity is more about awareness and transparency, and the line of credit may be a fairly inexpensive way to get a little bit more comfort for emergency scenarios. In regard to the governance, fortunately, UOSA has a strong backing of the jurisdictions we serve. But if there is a default from one of those jurisdictions, it has a cascade effect on UOSA. If one of the bigger jurisdictions had a financial issue, like Fairfax or Prince William, UOSA would feel that pretty rapidly, and it could impact the ability to meet our obligations.

MOTION: Director Small moved to receive and file the report.  
 SECOND: Director McNeal  
 VOTE: Unanimous

F. Action Items

- 1. Chairman Mohsenin referenced staff memorandum, *FY-26 Fourth Quarter Appropriation* (filed as Exhibit K).

MOTION: Director Vehrs moved to appropriate \$11,148,925 to fund Operations and Maintenance for the fourth quarter of FY-26.  
 SECOND: Director Rowley  
 VOTE: Unanimous

- 2. Chairman Mohsenin referenced staff memorandum, *UOSA Capital Improvements Program (CIP) – February 2026 Update* (filed as Exhibit L).

- a. Mr. Erick Schlosser, UOSA’s Chief Technical Officer (CTO), presented slides (filed as Exhibit M) to support the CIP Update and stated the increase this year is primarily due to the rehab cost for Building U where dryers are located. He said the effort started last year with regards to grouping reserve maintenance type work together into capital buckets maintains great momentum and staff are looking to continue that. He advised that over the next 2-3 years there are three initiatives that feed the long-term CIP efforts. The initiatives are: The Comprehensive Facilities Plan, the Asset Management Roadmap, and the Digitalization Transformation Roadmap. He said staff is recommending the Board’s endorsement of this planning tool update.

- b. There was some discussion about the Alkalinity project and if the benefit is to existing infrastructure and capacity or if that would get the plant to 60MGD. There were concerns on how the Service Agreement dictates the party responsible for future plant expansions by both flow and loads. Director Small stated that the City of Manassas and Prince

William are responsible for funding the future plant expansion from 54 MDG to 60 MGD in the near future. He spoke on behalf of the City and said that they will not be needing the capacity but assumed this would be revisited as part of the rerating process. Mr. Steglitz responded that the plant expansion was removed from the 10-year CIP update but through a combination of a few projects identified in the Rerating Study, that those may be considered a plant expansion effort. Director Farr said contractually those two jurisdictions are financially responsible even if it is removed from the CIP. He asked staff not to lose sight of this concern as it has been mentioned before, and he feels now is the time to consider an amendment to the Service Agreement.

- c. Chairman Mohsenin recalled that during the Rerating Study discussions, he understood that the additional capacity would go to all the jurisdictions and they could sell amongst themselves. He said some may see it as a good financial investment to acquire capacity and a much lower rate than a larger full expansion effort. He stated that the current Service Agreement was last amended to handle plant expansion needs and did not have rerating efforts in mind at that time.
- d. Ms. Hostetler advised that the Board could seek to have the Service Agreement amended to address the current concerns of how to unmarry the flows from the loading interpretation.
- e. Director Small understands the CIP Update is intended to be a planning tool that is updated annually; however some projects of concern are only a years out and the City of Manassas will not be needing the capacity as forecasted. He suggested that a memorandum from Legal Counsel that could tell us what the equity issues are and revisit this at either a workshop or a future Board meeting.
- f. Mr. Steglitz agreed to regroup based on this discussion today and provide a legal analysis of the current Service Agreement, and how the Rerating Study that looked at the financial side could impact the legal side.

MOTION: Director McNeal moved to receive the February 2026 CIP Update.

SECOND: Director Vehrs

VOTE:

Ayes: Directors Vehrs, Mohsenin, Rowley, Meyer, McGrath, Farr, and McNeal

Nayes: Director Small

MOTION PASSED

MOTION: Director Small moved to table the endorsement of the February 2026 CIP Update until the March meeting.

SECOND: Director Meyer

- g. After much discussion about the CIP Update being a planning tool and that the Board would have another opportunity to approve the actual project at a later date, Director Small withdrew his motion to table the endorsement with the understanding that staff will pursue the legal interpretation with regards to projects for expansion vs. rerating of the plant.
- h. Ms. Hostetler said the discussion was worthwhile and thanked the Board for raising it.

MOTION: Director McNeal moved to endorse the February 2026 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 Rowley

VOTE: Unanimous

3. Chairman Mohsenin referenced staff memorandum, *UOSA Updated Plan of Finance* (filed as Exhibit N).

a. Mr. Wolfe reminded the Board that the Plan of Finance provides a 10-year forecast of capital funding and is based on the CIP Update that was just endorsed. The CIP Update increased due to projects related to Building U, HVAC Systems & Building Envelopes, and Rerating Enhancements. Plant expansion projects totaling \$294 million were removed from the Plan last year. Mr. Wolfe introduced UOSA's Financial Advisor, Mr. Ty Wellford, from Davenport & Company, to present the Updated Plan of Finance.

b. Mr. Wellford presented and further explained the Updated Plan of Finance that incorporated the previously endorsed February 2026 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 2027, 2030 and 2033.

MOTION: Director Vehrs moved to adopt, for planning purposes, the Davenport February 2026 Plan of Finance, which will be used to complete the FY-27 Debt Service Budget and be presented by staff to the Board for approval at the March 2026 Board Meeting.

SECOND: Director McNeal

VOTE: Unanimous

4. Chairman Mohsenin referenced staff memorandum, *UOSA Bond Refunding and Tender Offer Opportunity* (filed as Exhibit O).

a. Mr. Wellford presented a potential opportunity to refund part of UOSA's 2016A and 2018B Bonds, along with a tender offer to refund additional bonds. He said this opportunity tends to work well when bundling it with some other financing. He said no decision was needed at this time and if the Board agrees, Davenport will return with a full plan.

MOTION: Director McGrath moved for staff to proceed with preliminary work to bring back to the Board at a future meeting.

SECOND: Director Vehrs

VOTE: Unanimous

5. Chairman Mohsenin referenced staff memorandum, *Contract U2 – Amendment to Task Order E-04-23 for Services During Construction* (filed as Exhibit P).

a. Mr. Steglitz advised that the amendment would not typically need Board approval, although it exceeded the metric of over 15% of the contract value which requires Board approval to change.

MOTION: Director Rowley moved to authorize the Executive Director to execute the Amendment No. 1 to Jacobs Task Order E-04-23 contract in the amount of \$107,002.53.

SECOND: Director Farr

VOTE: Unanimous

6. Chairman Mohsenin referenced staff memorandum, *UOSA Brand Evolution – Overview for Board Review* (filed as Exhibit Q).
  - a. Mr. Steglitz introduced UOSA's Communication Specialist, Ms. Bebe Schaefer, to present the basis for staff's recommendation to adopt a refreshed UOSA logo with the objective to modernize UOSA's visual identity.
  - b. Ms. Schaefer spoke about the partnership with Creative Co-Op and the three logo concepts that were presented and surveyed by staff. After careful consideration, Concept C was found to represent clean water, the core of UOSA's mission.
  - c. Several Directors liked the work and the look of Concept C, although they further discussed the intended audience, the need for clarity to external audiences, employee buy-in, potential engagement of external stakeholders, and implementation considerations (e.g., signage, vehicles, uniforms, letterhead, and a phased transition) along with the costs. The consensus of the Board was to defer action on the agenda topic and have staff research the information and return to the next meeting.

#### G. Staff Reports

1. Chairman Mohsenin referenced staff memorandum, *FY-27 Draft Budget Presentation & Workshop* (filed as Exhibit R).
  - a. Mr. Steglitz reminded the Board that staff was not looking for approval, rather this was a workshop for questions and to identify items that we may need to provide more information on before the March meeting.
  - b. Mr. Wolfe presented slides (filed as Exhibit S) on the key highlights for various budget categories: Overall the FY-27 Budget increase was \$782,000 or approx. 0.8 percent compared to last year's approved FY27 draft; proposed staffing additions (two positions); and proposed compensation parameters including 2.75% COLA and 2.5% average merit increases (up to 4% merit), plus a 3% pay scale adjustment to avoid employees topping out. Staff noted health insurance rates were projected pending final information from The Local Choice. Reserve Maintenance changes included a recommended FY-27 IT/OT platform upgrade approach (Nutanix) with an estimated FY-27 budget item of approximately \$885,000, and a decision not to migrate JD Edwards to the cloud at this time.
  - c. Director Farr requested the slide deck be provided to the Board.
  - d. In response to Director Small, Mr. Wolfe and Mr. Steglitz advised that proposed budget would allow for a 2.75% COLA and 2.5% average merit increases for staff. As done in the past, a 3% scale increase to keep additional staff from topping out is also proposed. The proposed COLA is intended to be given at the start of July 2026 with merits to follow on their anniversary date.

- e. As a result of the workshop discussion, the Board asked staff to research and provide proposed compensation scenarios from other jurisdictions for review at the next meeting. Chairman Mohsenin requested that Board members submit questions/comments to staff within two weeks after the meeting to allow time for revisions ahead of the March meeting. Directors also discussed the cadence of the two-year budgeting approach (every other year) and expressed interest in continuing the business practice.

2. Executive Director's Report

- a. Mr. Steglitz touched on the following:
  - i. PFAS-related biosolids legislation (referencing Senate Bill 386 and House Bill 1443) and ongoing negotiations/industry engagement
  - ii. the septage receiving facility earmark signed into law with funding received for UOSA's project in the amount of \$1.092 million.
  - iii. A reminder of the UOSA Service Awards Luncheon on June 3, 2026 at noon in the same location as last year.
  - iv. In response to Director McGrath's comment at last month's meeting, Mr. Steglitz acknowledged the need to review future nondisclosure agreements (NDAs) to ensure appropriate ability to communicate with the Board and partners or member jurisdictions, as applicable.

3. Legal Counsel's Report

- a. Ms. Hostetler requested the Board enter a closed session to discuss the Safe Yield of Occoquan Reservoir Legislation Update and related negotiations involving the legal issues raised by the legislation.
- b. Unfortunately, the Consultants from the Seven Hills Strategy Group were no longer available to join the closed meeting.

H. Closed Meeting

- 1. Chairman Mohsenin announced that a closed meeting was needed to consult with Legal Counsel regarding the legal implications for UOSA regarding the proposed legislation set forth in agenda topic, Protect Safe Yield of Occoquan Reservoir Legislation.

MOTION: Director Vehrs moved that the Board convene a closed session at 6:50 P.M. pursuant to Virginia Code § 2.2-3711 (A)(8) to consult with Legal Counsel regarding the legal implications for UOSA regarding the proposed legislation set forth in January, Protect Safe Yield of Occoquan Reservoir Legislation., and as it regards to participants in the closed session, allow the consultants and any staff that Mr. Steglitz deem necessary.

SECOND: Director Small

VOTE: Unanimous

2. RETURN TO REGULAR/OPEN SESSION

MOTION: Director Small moved to return to regular session at 7:18 P.M.

SECOND: Director Rowley

VOTE: Unanimous

3. Chairman Mohsenin asked for a motion to accept certification of the closed meeting 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 Small moved to accept Certification of Closed Meeting.

SECOND: Director Vehrs


VOTE: Unanimous

I. Adjournment

MOTION: Director Vehrs moved to adjourn at 7:20 P.M.

SECOND: Director McGrath

VOTE: Unanimous

  
Assist. Secretary  
Richard Meyer, Secretary  
UOSA Board of Directors

Date: March 19, 2026

*These minutes are unofficial until signed.*