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Service Authority

B. Paul O'Meara, Jr., Chairman
Paul Colangelo, Jr., Vice Chairman
Harry W. Wiggins, Secretary-Treasurer
Jim Almond, Member
Dean E. Dickey, Member
Joyce P. Eagles, Member
K. Jack Kooyoomjian, Ph.D., Member
Marlo Thomas Watson, Member

Calvin D. Farr, Jr., P.E., General Manager

MINUTES OF BOARD OF DIRECTORS MEETING OF JANUARY 13, 2022

- Board Members Present: Jim Almond (remotely), Paul Colangelo, Jr., Dean E. Dickey (remotely), Joyce P. Eagles, K. Jack Kooyoomjian, Ph.D., B. Paul O'Meara, Jr., Marlo Thomas Watson (remotely), and Harry Wiggins.
- Staff : Calvin D. Farr, Jr., Astrid Nelson (remotely), Don Pannell, Lake Akinkugbe, Lyle Beefelt (remotely), Samer Beidas, Michael Fox, Debbie Maxwell, Tony Piccione, David Scott, Brian Sipes, Shannon Spence, April Bean and Kim Murray.
- Legal Counsel : Mark Viani/Bean Kinney & Korman.
- Guests : Randy Cyr, Jeff Jackson, and Jay Kirk/Brown & Caldwell; Michael Garber/PBMares, LLP.
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Mrs. Thomas Watson joined the meeting virtually at 6:40 PM from her home for personal reasons. Mr. Almond joined the meeting virtually at 6:41 PM from his home for personal reasons. Mr. Dickey joined the meeting virtually at 6:41 PM from his home for personal reasons.

1. CALL TO ORDER and GENERAL MATTERS

Chairman O'Meara called the meeting to order at 6:50 PM.

a) Approval of Minutes of November 10, 2021 Board Meeting

Chairman O'Meara asked if there were any edits to the minutes of the November 10, 2021 Board Meeting; hearing none, the minutes were approved as presented.

b) Consideration of Announcements by Staff

i. Mr. Farr announced that on Tuesday, January 11, 2022, Mrs. Eagles was appointed to the Prince William County Service Authority (Service Authority) Board of Directors for another [four-year] term.

ii. Board Room Technology Plan: Mr. Farr noted that several members of the Board and staff were joining the meeting virtually via Microsoft Teams. This is a new feature that is now available to the Service Authority due to recent equipment upgrades. Staff plans to have Senior Staff join the meetings virtually in February, followed by a public option (both audio and video) which should be available soon. Staff will keep the Board apprised of the progress made in these areas.

c) Citizens' Time

There were no citizens attending who signed up to speak.

2. COMMENDATION/PRESENTATIONS

a) Commend: Timothy A. Byler.

Mr. Byler was unable to attend the Board meeting in person; Mr. Farr asked Board Members to approve the resolution as provided. The Chairman requested a motion to approve the resolution commending Mr. Byler.

Motion: Dr. Kooyoomjian moved that the Prince William County Service Authority Board of Directors does hereby commend Mr. Timothy A. Byler for his exceptional service to the customers of the Prince William County Service Authority and conveys best wishes for happiness in his retirement.

Second: Mrs. Thomas Watson

Ayes : Kooyoomjian, Thomas Watson (remotely), Almond (remotely), Colangelo, Dickey (remotely), Eagles, O'Meara, Wiggins.

b) Presentation: Annual Comprehensive Financial Report for FY2021.

Chairman O'Meara introduced Mike Garber, Audit Partner with PBMares, LLP, who provided a briefing on the FY2021 Audit. Mr. Garber explained the FY2021 Audit received an unmodified (clean) opinion on both the financial statement and compliance with internal controls. Mr. Garber noted that for the first time in several years, the Service Authority spent federal dollars last year; the auditors did extra work on the federal dollars and also issued a clean opinion on that work. He voiced praise to the Finance team for their work. Board Members thanked and complimented Mr. Garber and staff for their work.

c) Presentation: Water Supply Plan.

Mr. Farr introduced Randy Cyr and Jeff Jackson with Brown & Caldwell. Mr. Farr advised if the Board Members are satisfied with the information provided, staff intends to return to the Board in February with a recommendation about future water supplies which will give the staff direction for planning purposes. Mr. Cyr and Mr. Jackson presented an analysis of "Source Water and Supply Evaluation" as requested by the Board. Discussion followed. Mr. Wiggins asked for a summary of Mr. Farr's meeting with Fairfax Water leadership with respect to the availability of water for the Service Authority's water needs for the next 40-50 years. Mr. Farr reported Fairfax Water staff said they have plenty of water and there would be no issue with the Service Authority purchasing additional water when

needed. Service Authority staff forecasted water needs beyond 2045 to 2065 and felt an additional 10 million gallons per day (MGD) would take the Service Authority to 2065; Fairfax Water advised they could supply the additional 10 MGD and provided a price for same. Mr. Farr noted there are additional options to make the region more sustainable and enhance the Service Authority's partnership with regional associates. He explained he does not have a timeframe for briefing the Board on that option; staff continues to investigate those options.

Mr. Dickey asked what would happen if Fairfax Water's Griffith Plant shut down; he wanted to know how the Service Authority would get water from western Prince William County (PWC) to eastern PWC. Mr. Pannell responded that the master plan, currently under development by Brown and Caldwell, includes a level of service lens on the Service Authority's infrastructure as well as the supply from Fairfax Water. When the analysis is complete it will include commentary about any redundancy needs in the Fairfax Water supply. Mr. Pannell noted staff is confident the analysis to be provided by Brown and Caldwell will give a full look at the whole picture so staff is clear about the level of resiliency in the system.

Chairman O'Meara advised he needed to amend the order of the agenda based on a conversation he had with Mr. Farr earlier in the day. He stated he needed to move Attorney's Time and Closed Meeting to be next on the agenda.

3. ATTORNEY'S TIME

Mr. Viani reported a closed meeting is needed under Code of Virginia § 2.2-3711A1, Personnel; § 2.2-3711A6, Procurement; and § 2.2-3711A7, Litigation.

Chairman O'Meara requested a motion to authorize a closed meeting to discuss Personnel under Code of Virginia § 2.2-3711A1; Procurement under § 2.2-3711A6; and Litigation under § 2.2-3711A7.

Motion: Mr. Colangelo
Second: Mr. Almond
Ayes : Colangelo, Almond (remotely), Dickey (remotely), Eagles, Kooyoomjian, O'Meara, Thomas Watson (remotely), Wiggins.

4. CLOSED MEETING

Chairman O'Meara announced a closed meeting at 7:19 PM to discuss Personnel under Code of Virginia § 2.2-3711A1; Procurement under § 2.2-3711A6; and Litigation under § 2.2-3711A7.

Upon conclusion of the closed meeting at 7:55 PM, and in compliance with the Freedom of Information Act, a motion was made by Mr. Colangelo and seconded by Mrs. Eagles to return to an open meeting certifying that to the best of the members' knowledge, the only matters considered were those that were appropriate to be discussed under Code of Virginia § 2.2-3711A1, Personnel; § 2.2-3711A6, Procurement; and § 2.2-3711A7, Litigation.

CERTIFICATION FOR CLOSED MEETING

WHEREAS, the Prince William County Service Authority Board of Directors has convened a closed meeting on this date pursuant to an affirmative recorded vote and in accordance with the provisions of the Virginia Freedom of Information Act; and,

WHEREAS, § 2.2-3712 of the Code of Virginia requires a certification by the Prince William County Service Authority Board of Directors that such closed meeting was conducted in conformity with Virginia law;

NOW, THEREFORE, BE IT RESOLVED that the Prince William County Service Authority Board of Directors 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: Mr. Colangelo
Second: Mrs. Eagles
Ayes : Colangelo, Eagles, Almond (remotely), Dickey (remotely), Kooyoomjian, O'Meara, Thomas Watson (remotely), Wiggins.

5. ACTION MATTERS

- a) Approval of Agreement SA-2205 with Nostos SS Contractors, LLC for the Interstate Water Storage Tank Rehabilitation

Chairman O'Meara requested a motion to approve the resolution as provided.

Motion: Dr. Kooyoomjian
Second: Mrs. Eagles
Ayes : Kooyoomjian, Eagles, Almond (remotely), Colangelo, Dickey (remotely), O'Meara, Thomas Watson (remotely), Wiggins.

- b) Authorization of a Supplemental Pay Increase for Prince William County Service Authority Employees

Mr. Beefelt noted this action matter responds to a request from the Board [in September 2021] to return with additional measures the Service Authority needs to take related to recruitment and retention. Mr. Beefelt and Mr. Akinkugbe provided a briefing on the proposed supplemental pay increase, including the Service Authority's experience with employee retention and recruitment challenges.

Motion: Mrs. Eagles
Second: Mr. Colangelo

Mr. Wiggins proposed an alternative solution, which he provided earlier in the week to Board Members and executive management. He also noted the Service Authority needs to remain competitive with salaries and find a way to keep employees from leaving.

Mr. Almond commented on both the proposed increase and Mr. Wiggins' alternate proposal. Mr. Akinkugbe noted that the dollar amount specified in this item would be provided in light of inflation costs.

Mr. Colangelo noted the senior leadership team has the best pulse on the culture and the people in the organization. They have the ability and opportunity to make these types of decisions and bring recommendations to the Board. He supports the proposal as provided.

Mrs. Eagles referenced an article in the *Wall Street Journal* about inflation; she also suggested the Service Authority consider offering personal finance training for employees.

Mr. Farr noted the Board's original charge to see what the Service Authority can do for its employees, especially the ones who are paid at lower salary levels. The Service Authority has given two bonuses since he came on board and employees are still leaving. He advised that the Service Authority cannot mix merit and performance pay with retention. Mr. Farr added he was surprised to learn that the Service Authority's lower-level pay ranges are not competitive with its competitors' ranges. He advised that staff will explore additional strategies after the Chief People and Talent Officer (CPTO) is hired. Further discussion can be held during the upcoming budget season.

Mrs. Thomas Watson noted the Service Authority is also losing employees at higher salary levels within the organization (who are not able to get higher compensation) to other jurisdictions. She stated her support for staff's proposed recommendation. She also suggested hiring a consultant to conduct stay interviews (or another type of assessment) and get a better understanding of what is happening with employees before they leave. Mr. Farr noted his team will consider expanding stay interviews with the new CPTO once they are onboarded.

Mr. Dickey stated he felt staff did exactly what the Board asked them to do in September, which was to bring the Board a proposal to give employees at lower pay grades more money. He feels staff did an excellent job and supports the proposed recommendation. Mr. Dickey added if there is anything else that staff wants to do, Mr. Farr is responsible for personnel actions and [the Board] should defer to him to manage them. Additional actions may always be considered in the future.

Dr. Kooyoomjian stated he felt the Board's charge to leadership has been responded to quite well by staff. He stated he supports the proposed recommendation, noting that considering the Service Authority's competitive position within the industry, he knows something must be done. Dr. Kooyoomjian noted the Board will revisit this issue as part of the FY2023 budget. He suggested alternatives can be considered in the next round of discussions. Dr. Kooyoomjian thanked staff for responding well to the Board's charge.

Ayes : Eagles, Colangelo, Almond (remotely), Dickey (remotely), Kooyoomjian, O'Meara, Thomas Watson (remotely), Wiggins.

6. BYLAWS DISCUSSION

Chairman O'Meara noted the Bylaws Committee was not able to get a quorum for their meeting earlier this evening. He stated if there are no comments on the Bylaws as presented by staff, he would be willing to defer that discussion to the February meeting. In response to a question, Mr. Viani advised that if a quorum of committee members is not available for a meeting [in person], the Chairman may immediately appoint an additional Board Member(s) to the committee (appointed via telephone) who would attend the meeting in person as a member of the committee. The Chairman encouraged Board Members to continue to review the Draft Bylaws and submit comments in a timely manner. Chairman O'Meara noted the discussion on the Bylaws is deferred until February.

7. GENERAL MANAGER'S REPORT

a) Mr. Farr provided an update on snowstorm preparation and operations for two storms that occurred during the first week of January.

b) Mr. Farr delivered the keynote address at the PWC Schools SPARK event on December 9, 2021. He committed to maintaining and expanding the Service Authority's partnership with the schools in several areas. Mr. Farr also accepted SPARK's invitation to serve on their Board of Directors. Mr. Colangelo noted these partnerships are very important for the future of the Service Authority. He stated the outreach Mr. Farr is doing is remarkable, and suggested issuing a news or press release would be beneficial to the Service Authority. Mr. Wiggins added that technical and career development at the high schools is critical. He also commended Mr. Farr on his commitment to the schools. Mr. Farr offered to assist Mr. Wiggins in his lobbying efforts to establish a career and technical school in PWC. Dr. Kooyoomjian suggested Mr. Farr meet with Dr. Sam Hill, provost at the Woodbridge Campus of Northern Virginia Community College; he felt a connection at the community college level would also be beneficial.

c) COVID-19 Update

i. Vaccinations: The Service Authority continues to follow the recommended protocol for the safety of staff and the public. Staff learned today that the Supreme Court struck down the federal vaccine mandate; staff does not anticipate the Commonwealth of Virginia adopting a vaccine mandate. The Service Authority currently has 74% of the workforce reporting they are vaccinated.

ii. Collections: Mr. Farr noted staff will provide the collections and relief funds update along with the monthly financial report briefing later in the meeting.

d) Mr. Farr announced that Shannon Spence was selected as director of the newly-formed Project Management Office.

e) Mr. Farr noted in March 2021, the Prince William Board of County Supervisors directed PWC staff to develop recommendations to expand and change the data center opportunity zone overlay district. As part of the public outreach that PWC staff is conducting as they develop their recommendation, they are hosting an open house at George Mason University Campus on January 20 and have asked that Service Authority staff be present; Mr. Beidas will represent the Service Authority. Staff continues to reiterate that the Service Authority's policy is to follow the comprehensive plan and assure that growth pays for growth.

f) As a follow up to Mr. Colangelo's suggestion at a previous meeting, Mr. Farr reported ARCADIS was selected as a grant writer and staff is working with them to apply for grants.

g) Mr. Farr provided an update to the Board on his assessment of and plans for the Service Authority. He first thanked Mr. Dickey for the work he did while leading the organization. Mr. Farr

shared his assessment and priority goals for each area of excellence in the Board's Vision. He asked that Board Members talk with him about their expectations of him as general manager as everyone works through the next Strategic Planning/Visioning process. Dr. Kooyoomjian commented on training, outreach, community partnerships, and SCADA (Supervisory Control and Data Acquisition). Mr. Colangelo commented on cybersecurity and the process of returning employees to the office (for which staff needs to prepare well and in advance). Board Members thanked Mr. Farr for his update and for the work the entire organization and employees are doing.

8. ADMINISTRATIVE REPORTS

Mr. Akinkugbe provided a brief presentation on the November Monthly Financial and Operational Report. Discussion was held.

Mr. Wiggins commented on the current budget status. Mr. Akinkugbe shared that the variance is expected to shrink as the year end approaches.

Mr. Wiggins expressed his concern about the number of customers who have not signed up for payment plans (approximately 3,500 accounts); he asked how the disconnects work. Mr. Sipes explained that it would take staff several months to complete the disconnections. He surmised that when many accounts are disconnected, the customer will call and request a payment plan (or pay their bill in full); their water would then be turned back on. Mr. Sipes shared that the intent is to establish communication with the customer and restore service the same day if they sign up for a payment plan. He reiterated that staff will continue to work with customers as best they can.

9. CONSIDERATION OF MATTERS PRESENTED BY MEMBERS

Mr. Dickey congratulated Mrs. Eagles on her reappointment to the Service Authority Board of Directors. He thanked staff for their great response on the snowstorms. Mr. Dickey noted the Board needs to develop certain policies; he encouraged the Board to make that a priority. He thanked Mr. Farr for his overview of the Service Authority and congratulated Mr. Farr and staff for doing an excellent job.

Mrs. Thomas Watson also congratulated staff for the continued good work they are doing. She thanked Mr. Wiggins for bringing up difficult subjects. She shared her congratulations to Mrs. Eagles on her reappointment.

Mrs. Eagles wished everyone a happy new year and hoped everyone stays well. She looks forward to the time when everyone can be together again.

Mr. Colangelo expressed his appreciation to the staff for doing such an excellent job, adding that this was a very productive meeting. He shared his appreciation for Mr. Wiggins' input and candor. He congratulated Mrs. Eagles on her reappointment, and thanked Mr. Farr for his work and leadership.

Mr. Wiggins reported a bill was introduced in legislation today to try and solve the Bristow Manor pump and haul issue. He also stated the Service Authority's employee demographics

should resemble those of PWC; he noted the 2021 EEO-4 Report shows improvements in terms of the Service Authority's demographics since the 2019 report. Mr. Wiggins provided printed copies of the EEO-4 Reports for PWC and the Service Authority.

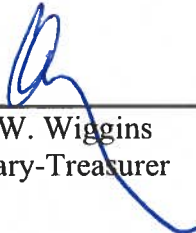
Dr. Kooyoomjian congratulated Mrs. Eagles on her reappointment and thanked Mr. Farr for his assessment. He also thanked Mr. Wiggins for sharing his ideas. Dr. Kooyoomjian thanked staff for their assistance with a few items.

Chairman O'Meara thanked Board Members for their comments and for their unanimous support of the salary adjustment for employees; the Board values staff's work and appreciates what they do. He commended Mr. Farr on his work in reaching out to the community and looks forward to supporting him in those efforts moving forward.

10. ADJOURNMENT

The meeting adjourned at 10:05 PM.

Mr. Almond, Mr. Dickey, and Mrs. Thomas Watson disconnected from the meeting at 10:06 PM.



Harry W. Wiggins
Secretary-Treasurer