

FAIRFAX WATER
Minutes of Finance and Audit Committee Meeting
March 21, 2024

At 6:02 p.m. on Thursday, March 21, 2024, a Meeting of the Fairfax Water Finance and Audit Committee was held at the Bill G. Evans Boardroom at 8570 Executive Park Avenue, Fairfax, Virginia, with the following in attendance:

Committee Members: Griffin (Chair), Roberson

Other Members: Allin, Begovich, Colleton, Day, Dotson, Rubin

Staff: Cotten, Dooley, Goldberg, Grimes, Hedges, Kingsbury, Love, S. Miller, B. Nguyen, Oates, Sinopole

Counsel: John McGranahan, Hunton Andrews Kurth LLP

Consultant: Sarah Frey, PFM Financial Advisors LLC

Upon separate motions duly made, seconded, and unanimously carried, unless otherwise noted, the following actions were taken:

Approval of Minutes

The Committee approved the Minutes of the February 8, 2024, Meeting.

Chairman Allin Temporary Appointment of Members Present to Committee

Due to a lack of a quorum for the Committee, Board Chairman Allin appointed all Members present as voting Members of the Committee for the meeting.

Water Revenue Bonds – Series 2024

Ms. Frey of PFM Financial Advisors briefed the Committee on the upcoming bond issuance. Bond proceeds of \$60 million would fund capital improvement program projects, fund any debt service reserve requirement, and pay costs of issuance. The bonds would be repaid over thirty years with generally level annual debt service payments. The sale is targeted for July and the estimated borrowing rate is 4.25%. There are no recommended refunding opportunities at this time, however, PFM Financial Advisors will continue to monitor for the opportunity. Ms. Frey recommended requesting ratings from only two of the three main rating agencies. She anticipates no impact on the cost or marketability of the bonds and this action will save approximately \$65,000 in ratings fees. Staff anticipates presenting the bond resolution and related documents to the Board for approval in June.

General Manager's Contract Authorization Limits

Ms. Hedges presented an overview of the General Manager's contract authorization limit and stated that the current limit of \$75,000 was established in 2001. While not required to be, at that time, the limit was equivalent to the small purchase limit in the Virginia Public Procurement Act (VPPA). Based on the current VPPA small purchase limit, established in 2020, and benchmarking the limit for the General Manager (or equivalent) at other regional water authorities, staff recommended increasing the limit to \$200,000, which is substantially below several water authorities in the region.

Ms. Hedges also stated that the General Manager's contract change order limits were established in 2001 and recommended updating the change order limits to be consistent with the proposed change to the General Manager's contract authorization limit.

The Committee recommended that the General Manager bring forward an item for consideration by the Board on proposed changes to the General Manager's contract authorization limits and change order limits. The Committee further requested the General Manager recommend a reporting mechanism and cadence to the Board for the use of the increased contracting authority.

Adjournment

There being no further business, the Meeting was adjourned at 6:33 p.m.



Anthony Griffin, Committee Chairman