

**FAIRFAX WATER**  
**Minutes of Finance and Audit Committee Meeting**  
**November 2, 2023**

At 6:01 p.m. on Thursday, November 2, 2023, 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:** Cammarata, Ginyard-Jones, Griffin, Roberson (Chair)

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

**Staff:** Aranda, Atapoor, Dooley, Goldberg, Grimes, Hack, Hedges, Kingsbury, S. Miller, B. Nguyen, Oates, Sinopole

**Counsel:** John McGranahan, Hunton Andrews Kurth, LLP and Roger Cronin, Dan Pomeroy, and Eyad Mizian, Greeley and Hansen

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 October 5, 2023, Meeting.

**Trust Engineer's Report**

Mr. Cronin from Greeley and Hansen provided an overview of the Trust Engineer inspection of the Fairfax Water facilities on Wednesday, November 1, 2023, and Thursday, November 2, 2023. Mr. Cronin concluded that the facilities are in good condition and well maintained, with a good plan for future needs.

Mr. Mizian from Greeley and Hansen reviewed the Fairfax Water Advertised Annual 2024 Budget document and found the budget reasonable and adequate to maintain the water system, meet debt requirements, and continue funding the Capital Improvement Program (CIP).

**Preliminary 2024 Annual Budget**

Ms. Oates presented the Advertised 2024 Annual Budget, including an update on the 2023 projections. Revenues in 2023 are expected to be approximately \$3.2 million above budget. Most of the increase is attributable to higher connection charge revenue and investment income than planned, more than offsetting a \$3.0 million shortfall in wholesale revenues, which is mainly due to the timing of billing for the Occoquan Tunnel Project. Water sales volume in 2023 is estimated to be 704 million gallons more than in 2022, a 1.3% increase.

Revenues in the Advertised 2024 Annual Budget are \$241.4 million, or \$9.9 million (4.3%) higher than the current 2023 estimate. Reviewing the major revenue components, 88% of Fairfax Water's 2024 budgeted revenue comes from retail and wholesale water sales.

Expenses in 2023 are expected to be approximately \$3.8 million less than budget. Expenses in the Advertised 2024 Annual Budget are \$123.2 million, or \$10.7 million (9.5%) higher than the current 2023 estimate and \$6.8 million (5.9%) higher than the 2023 Annual Budget. People, power, chemicals, and purchased water account for 80% of Fairfax Water's operating costs in the Advertised 2024 Annual Budget.

Ms. Oates noted the 2024 budget includes \$60 million of new revenue bond proceeds, which are planned to be issued in the second half of 2024.

The Committee unanimously voted to recommend to the Board the approval of the 2024 Advertised Annual Budget. The motion was moved by Mr. Roberson and seconded by Mr. Griffin.

**Adjournment**

There being no further business, the Meeting was adjourned at 6:54 p.m.

  
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Alan Roberson, Committee Chairman