

**FAIRFAX WATER
FINANCE AND AUDIT COMMITTEE**

Minutes of Meeting on October 20, 2022

At 6:51 p.m. on Thursday, October 20, 2022, a meeting of the Finance and Audit Committee was held at Fairfax Water with the following in attendance:

Members: Roberson, Cammarata, Ginyard-Jones, and Griffin

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

Staff: Hedges, Kingsbury, Atapoor, Daisley, Dooley, Franzen, Goldberg, Grimes, Hack, Hoke, S. Miller, Nguyen, Oates, Prelewicz, Robey, and Sinopole

Counsel: John McGranahan, Hunton Andrews Kurth, LLP

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

Adoption of Minutes

The Committee approved the minutes of September 22, 2022.

2023 Capital Improvement Program

Mr. Atapoor presented the 2023 Capital Improvement Program (CIP), which covered the 2023 – 2032 planning period. In addition, he provided a progress update of the major projects from the 2022 CIP. The 2023 ten-year program cost of \$1,028,981,000 represents an increase of \$66,382,000 (6.9%) above the 2022 – 2031 CIP. The Committee was given an overview of the CIP by functional categories (supply, treatment, transmission, etc.) as well as the major projects in the 2023 CIP.

Mr. Atapoor explained that expenditures are higher in the period from 2023 to 2026 due to the design and construction of two maintenance facilities, the Prince William County Occoquan River crossing, the Poplar Heights tank replacement, and the Sleepy Hollow pump station. The major projects in the 2023 – 2032 CIP and their amounts include:

- System operational resiliency (\$41.0 million)
- Technology master plan (\$14.0 million)
- Distribution system sustainability program (\$304.0 million)
- Maintenance facilities (\$52.3 million)
- Electrical systems master plan (\$22.3 million)
- Major repairs – transmission storage (\$38.4 million)
- Occoquan River crossing (\$25.2 million)
- Poplar Heights tank replacement (\$22.8 million)
- Sleepy Hollow Road pump station (\$8.2 million)

The Committee unanimously voted to recommend to the Board transmittal of the 2023 CIP to the Fairfax County Board of Supervisors.

Strategic Financial Model Commodity Rate Scenarios

Ms. Oates presented a summary of commodity rate increase scenarios and stated that staff continues to recommend a 19-cent increase, effective April 2023. Ms. Oates explained that both the 17-cent and 18-cent increases trigger non-compliance with Fairfax Water's established debt service coverage and cash reserve requirements. Staff is completing the draft 2023 budget, which will be presented at the next Committee meeting.

Adjournment

There being no further business, the meeting was adjourned at 7:40 p.m.



Alan Roberson, Chairman