

Bedford Regional Water Authority  
1723 Falling Creek Road  
Bedford, Virginia 24523  
Phone: 540-586-7679, ext. 121  
Fax: 540-586-5805  
Email: [m.aubrey@brwa.com](mailto:m.aubrey@brwa.com)



# PRESS RELEASE

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FOR IMMEDIATE RELEASE

## **Bedford Water Authority Board Passes Budget without Rate Increase**

At the May 19, 2020 Board of Directors meeting, the Bedford Regional Water Authority (BRWA) board passed a conservative budget that does not include a rate change at the current time.

“Our Board of Directors is attuned to the community and the hardship that the coronavirus has caused for many of our customers. The Board made the decision to pause, review other options, and adopt a budget that is more conservative in light of these economically uncertain times,” said Nathan Carroll, BRWA Assistant Executive Director.

The fiscal year 2020-2021 budget that was approved is a different version than the original budget the Authority had planned to approve prior to the coronavirus. At the April board meeting, instead of approving the budget developed prior to that time, the board asked the Finance Committee to review several budget options based on a possible decline in revenue due to the effects of COVID-19.

At the May 12 Finance Committee meeting, the committee and staff reviewed four budget scenarios:

1. The originally proposed budget
2. A budget showing a 1.5% drop in revenue
3. A budget with a 3% decline in revenue
4. A budget with a projected 7.1% decrease in revenue

After reviewing each of the scenarios, the Committee decided to recommend the most conservative of these scenarios. The Board of Directors agreed with the Committee’s recommendation and approved the revised FY 2020-2021 budget, with the summary of changes shown below.

- Revenue: 8% decrease in water and sewer sales (7.1% decrease in overall revenues) projected from FY 2019-2020 budget.
- Rates: No planned rate increase currently scheduled for the fiscal year (July 1, 2020 – June 30, 2021).
- CIP: No new Capital Improvement Program expenditures.
- Setasides: Reduced the capital reserve setasides (fund used for vehicles, meters, computer replacements, tank painting, etc.) by \$385,000.
- Staffing: No new positions or pay increases are funded; no reductions in staff were included in the budget either.

However, the budget includes an increased contribution to the Authority's share of the health insurance premiums; this change was intended to eliminate any additional cost to the employees due to an increase in health insurance premiums.

The Board plans to review the financials and budget near the middle of the fiscal year to see if the projections for revenue decline are actualized. If revenues are performing better than anticipated, the board may make a midyear budget adjustment that could include a rate change.

**About the Bedford Regional Water Authority:**

The Bedford Regional Water Authority (BRWA) provides water and wastewater services to the residents and businesses in Bedford County and the Town of Bedford; additionally, the BRWA partners with the Western Virginia Water Authority to serve customers surrounding Smith Mountain Lake in both Bedford and Franklin County. Visit [www.brwa.com](http://www.brwa.com) for further information.

**For information contact:**

**Megan Aubrey**

**Director of Administration**

**Bedford County Regional Water Authority**

**540-586-7679 ext. 121**

[m.aubrey@brwa.com](mailto:m.aubrey@brwa.com)

[www.brwa.com](http://www.brwa.com)

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