
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
February 18, 2020**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, February 18, 2020 in the Board Meeting Room in Bedford Water’s Annex building located at 1723 Falling Creek Road in Bedford County.

Members Present:..... Bob Flynn, Chair
Michael Moldenhauer, Vice Chair
Cynthia Gunnoe
Elmer Hodge
Thomas Segroves
Walter Siehien
Carl Wells

Members Absent: None

Staff & Counsel Present: . Brian Key – Executive Director
Jill Underwood – Director of Finance
Megan Aubrey – Director of Administration
Sam Darby – Legal Counsel, GFD&G

1. Call to Order

The meeting was called to order by the Chair at approximately 7:00pm. The Pledge of Allegiance and a moment of silence were conducted.

2. Review of Agenda

The following agenda was reviewed as shown below.

1. Call to Order
 - a. Pledge of Allegiance
 - b. Moment of Silence
2. Review of Agenda
3. Public Comments
4. Approval of Minutes: January 21, 2020 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
 - a. Finance Committee Meeting Summary – February 11, 2020
 - b. Resolution 2020-02.01: Advertise Rates
 - c. Customer Service Summary Report
 - d. Financial Statements through month end January 2020
6. Operations Report: Presented by Nathan Carroll
 - a. Work Order Summary
7. Administration Report: Presented by Megan Aubrey
 - a. Public Relations Information
8. Executive Director’s Report: Presented by Brian Key
 - a. Projects Summary
 - b. Resolution 2020-02.02: Bylaws Policy
9. Legal Counsel Report
10. Other business not covered on the above agenda

11. Motion to Adjourn

3. Public Comments

There were no public comments.

4. Approval of Minutes: January 21, 2020 Regular Board Meeting

The regular Board Meeting Minutes from January 21, 2020 were reviewed.

Ms. Gunnoe made a revision stating that she was listed as Vice Chair instead of Mike Moldenhauer.

Member Moldenhauer made a motion to approve the minutes.

Member Wells seconded the motion.

- Board member votes: 7 Aye; 0 Nay; 0 Abstain. The motion carried.

5. Financial Report: Presented by Jill Underwood

a. Finance Committee Meeting Summary – February 11, 2020

Mrs. Underwood summarized the Finance Committee meeting where they reviewed the proposed water and sewer rate changes and the dollar value impact on different customer types. The rate study model prepared by Draper Aden is being followed, with rates being equalized in FY 24.

The committee reviewed the draft budget, where operating revenue overall is projected to have a 4% increase. Other revenue and contributions is projected to have a 1% increase; together, these constitute an anticipated increase in total revenue of 3.3%. The Committee asked that the increase in projected revenue from water capital recovery fees be revisited and, potentially, reduced. Total operating expenditures are proposed to increase 2.9% overall. The Committee reviewed the capital reserve set-asides and agrees with the methodology of incrementally adjusting these amounts annually.

The total available for capital projects in the draft CIP is \$954,532. The total of FY 2021 CIP requests is \$1,145,600. The Committee would like to spend the funds available on capital this year, since there is a need, and not increase the debt coverage percentage. There are some accounts that need to be reviewed in further detail, as well as the recommendations from the Personnel Committee. The next Finance Committee meeting is scheduled for March 12, 2020 at 3:00pm.

Mr. Flynn asked the board to begin thinking about what to do at the end of the ten-year rate equalization. Mr. Segroves said it would be a shift how the budget is constructed. Ms. Gunnoe suggested to start an analysis of next steps for the rates at year eight or nine. Mr. Hodge suggested to identify the significant initiatives prior to the debt drop off since that will affect rates. Mr. Moldenhauer stated that it will be harder to justify rate changes after the equalization. Mr. Key added that the BRWA utilizes the rate model prepared by Draper Aden when creating the budget document each year and could continue using that analysis, as it is a good tool that provides relatively accurate results

b. Resolution 2020-02.01: Advertise Rates

At a regular meeting of the Bedford Regional Water Authority ("Authority") Board of Directors, held in the Board Meeting Room at the Authority's Annex Building on the 18th day of February 2020, beginning at 7:00 p.m.:

WHEREAS, the Authority is required to advertise and hold a public hearing prior to the approval of any rate changes; and,

WHEREAS, the Consolidation Agreement dated October 31, 2012 stated "Within ten (10) years of the Closing, the water and wastewater treatment rates of the Localities are expected to be substantially equalized, provided that equalization only occur through realized cost

efficiencies and economies and will not be done through disproportionate increases on Bedford customers.”; and,

WHEREAS, the Authority is in the process of preparing a draft budget for the Fiscal Year 2020-2021, and the rates necessary for the proposed revenues to exceed the proposed expenditures are included in the rates being proposed for advertisement; and,

WHEREAS, the Authority intends to post notice of the proposed rates on February 26, 2020 and March 11, 2020 in a newspaper of general circulation, to send copy of the notice to the governing bodies of Bedford County and the Town of Bedford, and to hold a public hearing on the new rates on April 21, 2020; now,

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Authority does hereby authorize the Executive Director to post notice of the changes to the rates as shown on the attached document.

On behalf of the Finance Committee, Member Gunnoe made a motion to approve this resolution. Being a motion from a committee, a second motion was not needed.

- Board Member Votes: 7 Aye; 0 Nay; 0 Abstain. The motion carried.

c. Customer Service Summary Report

Line 20 shows the number of repeated disconnects; for January there were 55 cutoffs (9 repeat: 4 in Town, 1 at Smith Mountain Lake, and 4 in Forest). Ms. Underwood explained that the customer service department has been working with Liberty Station on a consistent basis for an ongoing leak that they are experiencing.

d. Financial Statements through month end January 2020

Ms. Underwood reviewed some of the details pertaining to the financial reports for the period ending January 2020. The targeted budget goal for January was 58%; operating revenues were 56%, and operating expenditures were 50%. Capital recovery fees received are 65% of the total budgeted amount, with water at 49% and sewer at 118%.

In preparing the draft budget, it appears some transactions were posted to incorrect accounts, resulting in some accounts being over budget. These accounts will be reviewed and corrected.

On the CIP report, progress has been made buying supplies for the Mariners Landing Waterline Connection as well as design work on various projects.

6. Operations Report: Presented by Brian Key

a. Work Order Summary

A large portion of the work shown in the work orders is taking place in the Town; work order numbers continue to rise as more information is being tracked in the system.

7. Administration Report: Presented by Megan Aubrey

a. Public Relations Information

Ms. Aubrey reviewed the articles in the board packet, both pertaining to the old Bedford Middle School fire. Many board members heard good feedback from the community on how the Authority was able to respond; however, Mr. Hodge encouraged the board to keep pushing forward to ensure we are prepared for the next emergency. This emergency also showed the importance of continuing to build a strong asset management program.

8. Executive Director’s Report: Presented by Brian Key

a. Projects Summary

The Broadband initiative continues; the items that still need to be completed are the Wheats Valley easement and the New London tank colocation. There have been multiple errors in the contracts that have been provided to the Authority; these errors need to be corrected prior to the agreements being signed. There also needs to be assurances in the agreements that there will be no signal interference with Authority radio equipment at the New London tank. Mr. Key has been meeting with committees and individuals to work through these items. Mr. Hodge would like to attend the broadband meeting that is scheduled for Friday February 21 at the Authority’s office.

The Authority has received approval from the County to use the cell phone revenue to pay for a sewer line to extend service to the fire department in Montvale. The tap into the manhole has been made to accommodate the new sewerline; the project is almost ready to be constructed.

The Rucker Road waterline is almost complete. The doublewide that will be moving to the Falling Creek Road location from McGhee Road has been delayed due to weather.

b. Resolution 2020-02.02: Bylaws Policy

After the Committee assignments were made, it was brought to the attention of the Chair that both members of the Finance Committee are serving their last year on the board; as such, the Chair would like to appoint a third member to the Committee to ensure continuity next year.

The current policy states that no more than two members can be on any committee; the revised policy states that a minimum of two members must be on any committee.

WHEREAS, the Bedford Regional Water Authority (the “Authority”) is a public service authority formed and existing in accordance with the provisions of Chapter 51 of Title 15.2 of the Code of Virginia, 1950, as amended, the Virginia Water and Waste Authorities Act §§ 15.2-5100-15.2-5159 (the “Act”); and,

WHEREAS, the Authority desires to have a comprehensive set of policies governing the manner in which the Authority conducts its regular business, and the Authority directs that these policies be grouped together into an operating policy manual; and,

WHEREAS, the Board of Directors of the Authority would like to modify the Bylaws policy 1.30 to allow for more than two members to serve on a committee; now,

THEREFORE, BE IT RESOLVED by the Board of Directors of the Bedford Regional Water Authority that the changes to the above noted policy be hereby adopted by the Authority.

Member Gunnoe made a motion to approve this Resolution.

Member Hodge seconded the motion.

- Board Member Votes: 7 Aye; 0 Nay; 0 Abstain. The motion carried.

9. Legal Counsel Report

While preparing for the Mariners Landing ownership transfer several liens were discovered on properties that are to be conveyed to the Authority.

Mr. Key and Ms. Underwood attended a committee meeting of the Mariners Landing Village Board on Saturday. Staff is waiting for final written confirmation on the Board’s decision of continuing to bill the existing 24 meters or installing submeters for the 72 individual units.

10. Other Business

Mr. Moldenhauer asked Mr. Siehien if his business's new addition would require more water. Mr. Siehien said not at this time but perhaps in the future.

11. Motion to Adjourn:

There being no further business to discuss, Mr. Wells made a motion to adjourn and Mr. Segroves seconded the motion.

- Board member votes: 7 Aye; 0 Nay; 0 Abstain. The motion carried.

The meeting adjourned at approximately 8:19pm.

Prepared by Megan Aubrey – Director of Administration
Approved: March 17, 2020