
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
June 16, 2020**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, June 16, 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 (Virtual)
Cynthia Gunnoe
Elmer Hodge (Virtual)
Thomas Segroves
Walter Siehien

Members Absent:..... Carl Wells

Staff & Counsel Present: . Brian Key – Executive Director
Nathan Carroll – Assistant Executive Director (Virtual)
Jill Underwood – Director of Finance (Virtual)
Megan Aubrey – Director of Administration (Virtual)
Rhonda English – Director of Engineering (Virtual)
Sam Darby – Legal Counsel, GFD&G (Virtual)

1. Call to Order

The meeting was called to order by the Chair at approximately 7:00pm.

2. Review of Agenda

The following agenda was reviewed as shown *with revisions shown in bold italics*.

1. Call to Order
 - a. Pledge of Allegiance
 - b. Moment of Silence
2. Review of Agenda
3. Public Comments
4. Approval of Minutes: May 19, 2020 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
 - a. Customer Service Summary Report
 - b. Financial Statements through month end May 2020
 - c. Finance Committee Meeting – May 28, 2020
 - i. Resolution 2020-06.01: Rates
 - ii. Resolution 2020-06.02: Policies
6. Operations Report: Presented by Nathan Carroll
 - a. Work Order Summary
7. Administration Report: Presented by Megan Aubrey
 - a. Public Relations Information
 - b. Fluoride Communications
8. Engineering Report: Presented by Rhonda English
 - a. Projects Summary
 - b. Resolution 2020-06.03: Overview of Water System Policy 5.00 Revisions

9. Executive Director's Report: Presented by Brian Key
 - a. Joint meeting with the Board of Supervisors
10. Legal Counsel Report
11. Other business not covered on the above agenda
- 12. Closed Session**
13. Motion to Adjourn

3. Public Comments

Jean Maas, Secretary/Treasurer of Paradise Point Corporation, spoke over Zoom about the possible misconception that Paradise Point has not made any concessions to work with the Authority. Ms. Maas said that she sent clarifying documents to the Authority. The subdivision will vote on whether or not to accept the Authority's proposal at a meeting on June 27. Ms. Maas confirmed the rates were \$37 for the base rate with a rate of \$5.60 per 1000 gallons of water (\$5.70 if rates were raised later in the year).

Due to technical difficulties at the beginning of the meeting, the Pledge of Allegiance and a moment of silence were conducted at this time.

Customer Carl Eborn (610 Pine Street, Bedford, VA, 24523) attended the meeting via Zoom; due to his video and microphone not working, Mr. Eborn wrote his comments in the chat box and Ms. Aubrey read them aloud. Mr. Eborn stated that he was surprised to see the notification on his bill about the Authority beginning to add fluoride to the water treatment process. He stated that he did not believe the Authority did due diligence in notifying their customers and does not approve of any organization deciding to medicate his family without his permission. Mr. Eborn said he will be reaching out to each board member via email about this subject.

Ms. Aubrey explained the notification process for fluoridation the Authority has gone through in 2019 and 2020. A fluoride FAQ sheet was included in the board packets that outlined this process as well.

Jay Gray spoke over Zoom and said he was impressed with the financial report and liked the policy changes streamlining the smaller purchases to make it more efficient.

4. Approval of Minutes: May 19, 2020 Regular Board Meeting

The regular Board Meeting Minutes from May 19, 2020 were reviewed.

Member Gunnoe made a motion to approve the minutes.

Member Siehien seconded the motion.

- Board member votes: 6 Aye; 0 Nay; 0 Abstain. The motion carried.

5. Financial Report: Presented by Jill Underwood

a. Customer Service Summary Report

The Authority has not assessed late fees or disconnected accounts for non-payment since March. Staff are investigating when to begin this process again. The State Corporation Commission (SCC) has extended their moratorium for service disconnections through August 31. The Authority will most likely follow this same timeline. Staff have developed a payment plan arrangement to help past due customers get their accounts current; this includes not charging a reconnect fee if the customer signs up for a payment plan. There were 860 residential customers on the past due list with a total of \$159,000 due along with 76 businesses with a combined amount of \$36,000 unpaid. Calls are still going out to remind customers about past due accounts but staff are not assessing late fees or disconnecting service. Staff are concerned that customers are falling too far behind on bills and it will be challenging

for them to catch up. Ms. Gunnoe stated she would like for the Authority to wait until after the SCC's August 31 moratorium is lifted.

The County has received CARES funding and one of the potential uses is for assistance with utility bills; Ms. Underwood has asked to sit on the committee to represent the Authority. The lobby opened on Monday; 15 customers came into the office on Monday with only four coming in on Tuesday. New safety measures in the lobby include social distancing stickers, sanitation stations, a three-customer limit, and Plexiglas to separate staff from customers. Customers are still dropping payments in the drop box even while the lobby was open.

b. Financial Statements through month end May 2020

Ms. Underwood reviewed some of the details pertaining to the financial reports for the period ending May 2020. The targeted budget goal for May was 92%; operating revenues were 87%, and operating expenditures were 78%. Capital recovery fees received are 117% of the total budgeted amount, with water at 87% and sewer at 217%.

Mr. Flynn asked if the drop in operating revenues for water and sewer sales is typical for this time of year. Ms. Underwood replied that the coronavirus and a wet spring are both likely causing a slight dip in revenues. She does not see this as an alarming drop at this time.

In the cash flow report, the Authority has received the annual depreciation payment from WVWA for the Smith Mountain Lake Water Treatment Facility (SML WTF). The payment to purchase Mariners Landing Water and Sewer Company is also shown in the report.

In the CIP report, the Country Estates project is ready for construction and materials are being ordered. The office furniture listed in the CIP has been received and installed by the vendor. The Lake Vista Ivy Creek Sewer Project funding loan application is being prepared for submittal at the beginning of July.

The annual letter from the auditors was included in the board packet. The auditors will be in the office in mid-August unless the coronavirus necessitates them being remote.

c. Finance Committee Meeting – May 28, 2020

The Committee discussed the revised rates for the Paradise Point subdivision. The Committee desires to keep the rate at a breakeven point for the BRWA as calculated by staff. Ms. Gunnoe said that the committee looked at the rates with staff and feels comfortable with the rate; it can be reviewed after a couple of years to assess the rate again. Mr. Hodge stated that he appreciated the work that Ms. Maas put into her presentation. He also said that staff are approaching the rate structure for Paradise Point just like they do for all similar private systems.

The committee also reviewed recommended policy changes. Policy 10.00 Financial Management Policy is a new policy and is required for the GFOA Distinguished Budget award submission. The Committee discussed the desired debt coverage ratio for the policy and decided on a goal of 1.25. Mr. Key said that the requirement from VRA is of 1.15. The committee thought this was an achievable and responsible ratio. The committee also reviewed Policy 10.10 Purchasing, Policy 10.12 Purchasing Cards, Policy 10.21 Surplus Property, Policy 10.30 Investments, Policy 10.31 Debt, and Policy 10.32 Post Issuance Compliance.

i. Resolution 2020-06.01: 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 Administrative Annex Building on the 16th day of June 2020, beginning at 7:00pm:

WHEREAS, the Authority has received a request from the Paradise Point subdivision to potentially take over ownership of the well system and has requested the rate that will be charged as a monthly base charge; and,

WHEREAS, the Authority has provided sufficient notice in the Bedford Bulletin on February 26, 2020 and March 11, 2020 and conducted a public hearing on Tuesday, April 21, 2020 to solicit public comments on the advertised rates; and,

WHEREAS, the Board of Directors of the Authority has reviewed the proposed rates and desires at this time to implement only the base charge rate for Paradise Point of \$37.00; now,

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Bedford Regional Water Authority does hereby authorize the Executive Director to proceed with implementing the rate for Paradise Point as stated above. The new rate will be effective once the Paradise Point subdivision submits a written request to transfer the ownership of the system to the BRWA and an agreement is prepared by legal counsel and submitted to the State Corporation Commission (SCC) for approval.

On behalf of the Finance Committee, Member Gunnoe made a motion to approve this resolution.

Being a motion from the committee, no second motion was needed.

Board Member Votes: 6 Aye, 0 Nay, 0 Abstain. The motion carried.

ii. Resolution 2020-06.02: Policies

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, due to organizational structure and Code changes revisions were needed to the following policies:

- 10.10 Purchasing
- 10.12 Purchasing Cards
- 10.21 Surplus Property
- 10.30 Investments
- 10.31 Debt
- 10.32 Post Issuance Compliance

WHEREAS, due to the upcoming submission of the budget document to the Government Finance Officers Association’s (GFOA) Distinguished Budget Award Program the Financial Management Policy 10.00 was created; now,

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

On behalf of the Finance Committee, Member Segroves made a motion to approve this resolution.

Being a motion from the committee, no second motion was needed.

Board Member Votes: 6 Aye, 0 Nay, 0 Abstain. The motion carried.

6. Operations Report: Presented by Nathan Carroll

a. Work Order Summary

Mr. Carroll made one correction on the report; the Offices/Other category should be 9.3%. Mr. Carroll said the CIP crew is working to find a place for the pressure reducing valve vault for the Mariners Landing project. The location the crew has found needs an additional easement from the golf course. For Country Estates, the wet tap is lined up and materials have been received.

7. Administration Report: Presented by Megan Aubrey

a. Public Relations Information

Ms. Aubrey summarized the articles found in the report.

b. Fluoride Communications

Ms. Aubrey summarized this information in the Public Comments period.

Mr. Key said that he attended the Smith Mountain Lake Association meeting and a member of the board stated that she appreciated fluoride being added to the water treatment process; other board members agreed with her.

8. Engineering Report: Presented by Rhonda English

a. Projects Summary

The Authority has received a request for prepayment for waterline upsizing related to Country Club Meadows, a development proposed off of Everett Road; however, the developer is still working with the contractor to get final numbers. Ms. English asked if the Board would like to remand this to committee or does the board want to review it together during the next board meeting. The board agreed to remand it to the Policies and Projects Committee. Mr. Key said he may also have a few other policies for the committee to review.

b. Resolution 2020-06.03: Overview of Water System Policy 5.00 Revisions

Requests have been received from the Mariners Landing 8th Fairway homeowners association to install two irrigation meters to serve the 8th Fairway subdivision. This is in conflict with the Overview of Water Systems policy which requires a meter to serve no more than a single parcel. The recommended changes for the policy specify an exception for irrigation or fire suppression meters where groups such as homeowners associations are the customer. VRA has already approved these changes.

At a regular meeting of the Bedford Regional Water Authority ("Authority") Board of Directors, held in the Board Meeting Room at the Authority's Administrative Annex Building on the 16th of June 2020, beginning at 7:00 p.m.

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 Engineering department has proposed changes to Policy 5.00 – Overview of Water Systems; and,

WHEREAS, the Virginia Resources Authority has reviewed the changes and confirmed that there are no conflicts with current VRA loans; 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 Segroves seconded the motion.

- Board Member Votes: 6 Aye 0 Nay 0 Abstain. The motion carried.

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

a. Joint meeting with the Board of Supervisors

The date for this meeting is set for August 10 at 5pm; the Authority is the only item on the agenda for the work session at this time. In preparation for the meeting, Mr. Key and Mr. Flynn will meet with two members of the Board of Supervisors; this meeting is set for June 30 at 3pm at the Authority offices. The topics proposed for discussion with the group included the Ivy Creek Sewer project, developer discussions, and the status of the Broadband project.

In other business, Mr. Key reported that he and Mr. Flynn toured the Mariners Landing water and sewer sites the week prior to the board meeting. Mr. Flynn was surprised at the condition; routine maintenance needs to be completed to get it to Authority standards. Mr. Flynn also said that the Authority is fortunate to have Jeff Burdett as an employee at the BRWA; his job for many years has been to oversee Mariners Landing and brings a lot of knowledge of the system to the Authority. This system will also be added to SCADA in the future.

10. Legal Counsel Report

The Virginia Resources Authority (VRA) requested a legal opinion about an agreement with Mariners Landing Community Association for the exchange of water for irrigation and electric service on whether this will violate current VRA bond covenants. The legal analysis determined that this does not violate the bond covenants regarding no free service. Mr. Key added that there was already an agreement between Mariners Landing Water and Sewer Company and the Community Association for this exchange.

11. Other Business

There was no other business.

12. Closed Session pursuant to Section 2.2-3711 A.1 of the Code of Virginia, 1950, as amended, to discuss personnel matters; this includes employee compensation and the annual evaluation of the Executive Director. Board action is not anticipated upon the conclusion of the closed session.

Member Gunnoe moved that the Board of Directors go into Closed Meeting pursuant to Section 2.2-3711 A.1 of the Code of Virginia (1950), as amended, to discuss personnel matters. Member Segroves seconded the motion.

- Board Member Votes: 6 Aye; 0 Nay; 0 Abstain. The motion carried.

- The board entered into closed session at approximately 8:13pm.

At approximately 8:45pm Member Gunnoe moved that the board exit closed session and return to open session. Member Segroves seconded the motion.

- Board Member Votes: 6 Aye; 0 Nay; 0 Abstain. The motion carried.

- Member Gunnoe moved that the Board of Directors take a roll call vote certifying that to the best of the member’s knowledge only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the public body.

- Board member votes:
 - Aye: Bob Flynn, Michael Moldenhauer, Thomas Segroves, Walter Siehien, Cynthia Gunnoe, Elmer Hodge

- Nay: None
- The motion passed.

13. Motion to Adjourn:

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

- Board member votes: 6 Aye; 0 Nay; 0 Abstain. The motion carried.

The meeting adjourned at approximately 8:50pm.

Prepared by Megan Aubrey – Director of Administration
Approved: July 22, 2020