
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
March 16, 2021**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, March 16, 2021, 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
Jay Gray
Rusty Mansel
Kevin Mele
Thomas Segroves
Walter Siehien (Virtually)

Members Absent: None

Staff & Counsel Present: . Brian Key – Executive Director
Nathan Carroll – Assistant Executive Director (Virtually)
Rhonda English – Director of Engineering (Virtually)
Jill Underwood – Director of Finance (Virtually)
Megan Pittman – Director of Administration (Virtually)

1. Call to Order

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

2. Review of Agenda

The following agenda was reviewed as shown.

1. Call to Order
 - a. Pledge of Allegiance
 - b. Moment of Silence
2. Review of Agenda
3. Public Comments
4. Approval of Minutes: February 16, 2021 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
 - a. Financial Statements through month end February 2021
 - a. Finance Committee Meeting Summary – February 25, 2021
 - i. **Resolution 2021-03.01**: Rate Advertisement
2. Operations Report: Presented by Nathan Carroll
 - a. Work Order Summary
3. Administration Report: Presented by Megan Pittman
 - a. Public Relations Information
 - b. Personnel Committee Meeting Summary – March 3, 2021
 - i. **Resolution 2021-03.02**: Health Insurance
4. Engineering Report: Presented by Rhonda English
 - a. Projects Summary
5. Legal Counsel Report

6. Executive Director's Report: Presented by Brian Key
 - a. Policies and Projects Committee Summary – March 3, 2021
 - i. **Resolution 2021-03.03**: EDA support for Burnbridge
 - ii. **Resolution 2021-03.04**: Board Compensation
 - iii. **Resolution 2021-03.05**: Prepayment Policy Revisions
 - b. Personnel Committee Meeting Summary – March 12, 2021
 - i. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically to review salaries and the annual evaluation of the Executive Director
7. Other business not covered on the above agenda
8. Motion to Adjourn

3. Public Comments

Traci Blido, Director of Economic Development for Bedford County, thanked the board for being economically friendly, as the Board is considering a resolution allocating funding towards the Burnbridge sewer project later on the agenda.

4. Approval of Minutes: February 16, 2021 Regular Board Meeting

The regular Board Meeting Minutes from February 16, 2021, were reviewed.

Member Mele made a motion to approve the minutes.

Member Moldenhauer seconded the motion.

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

5. Financial Report: Presented by Jill Underwood

- a. Financial Statements through month end February 2021

The transition from Paymentus to Invoice Cloud, a third payment party provider, began on Monday. Lines 17 and 18 were added to the Customer Service summary as requested at the February board meeting to include the history of delinquent accounts. Letters are being sent to customers on the past due list to outline the repayment options available to them. There are currently 326 residential customers that are past due, totaling \$93,086, and twenty businesses that are past due totaling \$8,125. In comparison to February 2020, water revenue increased 7.62% and sewer revenue increased 5.19%.

Ms. Underwood reviewed some of the details about the financial reports for the period ending February 2021. The targeted budget goal for February was 67%; operating revenues were 79%, and operating expenditures were 57%. Capital recovery fees received are 118% of the total budgeted amount, with water at 90% and sewer at 211%. There were 18 new connections, 16 in Forest and two in Moneta in February.

A category was added for expenses related to Paradise Point. The acronym for the Comprehensive Annual Financial Report will no longer be used due to a negative connotation.

- b. Finance Committee Meeting Summary – February 25, 2021

The draft budget provides operating coverage minus replacement capital in the amount of \$642,158, with operating revenue increasing 7.2% and expenses increasing 5.9% from the current fiscal year. The debt schedule has been updated to reflect the debt service for the ESCO project that closed in the Fall of 2020 and estimated debt service amounts for the upcoming Ivy Creek sewer, which is anticipated to close in late Spring 2021.

The Committee discussed keeping with the original 10-year rate equalization study, with rates being equalized in FY 2024. The rates were not adjusted in FY 2021 due to the pandemic; this could have led to the rates not being equalized until FY 2025. Staff will revise the draft budget to include maintaining the 10-year rate equalization, instead of adding a year to make up for the skipped increase in FY2021. The board discussed the Capital Recovery Fee increase. Mr. Key said at the next meeting a comparison of neighboring localities fees could be presented.

Mr. Carroll presented a memo suggesting to amend Resolution 2021-03.01 to add a bulk water fill rate to \$12.00 per thousand gallons, the current rate is the same as the commodity charge for the respective service area The board agreed to add this rate to the resolution. They also asked Mr. Carroll to continue research on other options as well.

i. **Resolution 2021-03.01: Rate Advertisement**

For the new rates to be effective on June 1, 2021, as will be seen on all bills sent out after June 30, 2021, the Authority will need to hold a public hearing in April 2021. There is an advertising period that is required before the hearing, and this resolution authorizes the public notice which initiates this process.

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 16th day of March 2021, beginning at 7:00pm:

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 2021-2022, 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 March 24, 2021 and March 31, 2021 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 20, 2021; 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 Segroves made a motion to approve this resolution with the addition of a \$12.00 per thousand gallons rate for bulk water filling. Being a motion from a committee, a second motion was not needed.

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

6. Operations Report: Presented by Nathan Carroll

a. Work Order Summary

Mr. Carroll explained the reporting summary included in the packet since the Authority is in the process of transitioning from SEMS to Cartegraph. Mr. Carroll answered questions about the new system.

7. Administration Report: Presented by Megan Pittman

a. Public Relations Information

Ms. Pittman explained there have been multiple news stories about the Authority's security methods and the completion of the Country Estates waterline project.

b. Personnel Committee Meeting Summary – March 3, 2021

Ms. Pittman presented the updated rates for health insurance from The Local Choice. The other items reviewed by the Personnel Committee will be discussed under the Executive Director's report.

i. **Resolution 2021-03.02: Health Insurance**

The rates proposed for health insurance in fiscal year 2021-2022 reflect a decrease of 1% in the premium for continuation of coverage. A resolution is required before April 1st of each year to allow the Authority to sign up for Health Insurance as an employee benefit.

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 March 2021, beginning at 7:00pm:

Whereas, it is recognized by the Board that the provision of quality and affordable health insurance is a very important benefit to Authority employees; and,

Whereas, the Authority received the health insurance program renewal documentation from The Local Choice in February 2021, and included in the renewal are the proposed rates for Fiscal Year 2021-2022; and,

Whereas, attached to this resolution is the data showing the proposed rates which indicate the costs to the Authority to provide health insurance coverage in FY 2021-2022; and,

Whereas, if the Authority is going to proceed with renewing the health insurance coverage with the Local Choice for the next fiscal year, action needs to be taken by the Board before April 1, 2021; now,

Therefore, Be It Resolved, that the Executive Director of the Authority is authorized to execute the necessary documents to renew the health insurance contract with The Local Choice program.

On behalf of the Personnel Committee, Member Moldenhauer 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.

8. Engineering Report: Presented by Rhonda English

a. Projects Summary

Ms. English updated the board that the design-build group for the Ivy Creek Sewer Project is working through easements and permitting. Staff is still working with property owners to negotiate easements for the 122 waterline project and the EDA is working on easements for the Burnbridge project. A closing date for Paradise Point water system is set for May 24th with beginning operations on May 25th. Ms. English also reviewed the use of irrigation meters by developers.

9. Legal Counsel Report

The Authority is under pending litigation with Paymentus; Mr. Darby suggested going into a closed session to discuss tactics about the case.

Member Moldenhauer 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.

- Board member votes:
 - Aye: Bob Flynn, Michael Moldenhauer, Jay Gray, Rusty Mansel, Kevin Mele, Thomas Segroves, Walter Siehien
 - Nay: None
 - The motion passed.
- The board entered into closed session at approximately 8:26 pm.

At approximately 8:44 pm Member Moldenhauer moved that the board exit closed session and return to open session. Segroves seconded the motion.

 - Board Member Votes: 7 Aye; 0 Nay; 0 Abstain. The motion carried.
- Member Moldenhauer 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, Jay Gray, Rusty Mansel, Kevin Mele, Thomas Segroves, Walter Siehien
 - Nay: None
 - The motion passed.

Mr. Flynn expressed his gratitude for Mr. Darby's hard work and legal guidance throughout the years with the Authority.

Mr. Darby explained that the Freedom of Information Act (FOIA) is limited to public documents but has nothing to do with the device it is located on. The board also discussed whether the members should have an Authority email account. The board agreed to individually decide if they would like to establish an Authority account.

10. Executive Director's Report: Presented by Brian Key

- a. Policies and Projects Committee Summary – March 3, 2021
 - i. **Resolution 2021-03.03:** EDA support for Burnbridge

The Committee reviewed the written request from the Bedford County Economic Development Coordinator dated February 8, 2021. The account balances for the cellular co-location revenues were reviewed with the Committee, and the Committee discussed the feasibility of allowing the account to have withdrawals in excess of the available funds thus leading to a negative account balance. Rather than having the account have a negative balance, the Committee recommended having the Authority contribute up to five thousand dollars (\$5000) from the BRWA's cellular revenue account to the Economic Development Authority for this project, ensuring that the EDA's cellular revenue account maintained a positive balance.

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 March 2021, 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 has received a request from the Bedford County Economic Development Director dated February 8, 2021 in which a request was made to allow the advance of funds from the Economic Development Authority’s (EDA) cellular revenue account; and,

Whereas, at their March 3, 2021 meeting, the Policies and Projects Committee reviewed the request in detail. The Committee’s recommendation is that the Authority contribute five thousand dollars (\$5000) to the EDA rather than approve of the requested advance to the EDA’s account; the Committee recommended that the funding come from the Authority’s Economic Development setaside account which is funded from the Authority’s portion of the cellular co-location revenue; now,

Therefore, Be It Resolved by the Board of Directors of the Bedford Regional Water Authority that Authority contribute \$5000 from the Authority’s Economic Development setaside account to the Bedford County Economic Development Authority for the support of the Burnbridge Sewerline Project. This contribution will be made at the same time that funds are transferred to the EDA from the EDA’s cellular setaside account as held by the Authority.

On behalf of the Policies and Projects Committee, Member Siehien 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.

ii. **Resolution 2021-03.04:** Board Compensation

The Committee discussed the idea of reimbursing board members for mileage expenses related to attending board meetings and committee meetings. The Committee reviewed the IRS guidelines related to mileage reimbursements and discussed that the mileage for commuting to meetings would be taxable per the guidance of the IRS. Rather than reimbursing for mileage, and also to adjust for inflation since the Board stipend has not been adjusted since its inception in 2013, the Committee recommended increasing the salaries for board members; the suggested increase in pay would take monthly pay from the current \$250/month to \$300/month.

Mr. Mele questioned the taxing of the mileage and suggested the board wait to take action on this item until checking with Bedford County and Bedford County Schools to find out how they handle this process. Mr. Flynn suggested that a policy be drafted for board reimbursement as an alternative option. Various board members stated that they viewed being on the board as an honor and did not see the need for mileage reimbursement or a raise.

No action was taken on the proposed resolution.

iii. **Resolution 2021-03.05:** Prepayment Policy Revisions

The committee reviewed a staff request to allow offering prepayment credits to property owners where easements are needed; these credits would offset the connection expense to the property owners, while also not requiring as much cash payment from the Authority for the purchase of the easements. This proposed policy revision has been approved by the VRA since it impacts the amount of revenue that may be generated.

The Committee agreed to recommend to the board amending the Prepayment Policy to allow for it to be used for easement acquisitions.

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 March 2021, 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 Policies and Projects Committee reviewed the proposed policy changes at their March 3, 2021 meeting, and recommend the Board approve the changes; now,

Therefore, Be It Resolved by the Board of Directors of the Bedford Regional Water Authority that the changes to the above noted policy, as shown on the attached policy with revisions shown, be hereby adopted by the Authority pending review and approval by Virginia Resource Authority that the changes comply with bond covenants.

On behalf of the Policies and Projects Committee, Member Gray 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.

b. Personnel Committee Meeting Summary – March 12, 2021

Ms. Pittman presented a summary of the Committee’s discussion about forming a volunteer program for staff. The Committee recommended an optional program for staff to earn compensatory time for up to eight hours of volunteer time performed after hours for a 501(c)(3). They also recommended an incentive program for employees to enter a drawing to win a gift card for every eight-hour block of volunteer time completed.

Mr. Mansel stated that he believes this program is an important element in attracting new talent and programs like this will ultimately save the Authority money in turnover. Mr. Moldenhauer said that he supported this program and requested that Ms. Pittman check with legal counsel about the liability if a staff member were injured while volunteering. Mr. Gray said that he thinks that it should be adopted as quickly as possible. Mr. Mele and Mr. Siehien agreed. The board asked the Personnel Committee to review a policy and bring it to the board at a future meeting with a resolution.

- i. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically to review salaries and the annual evaluation of the Executive Director
Member Moldenhauer 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 Gray seconded the motion.

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

- The board entered into closed session at approximately 9:44 pm.

At approximately 10:29pm Member Moldenhauer moved that the board exit closed session and return to open session. Member Segroves seconded the motion.

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

- Member Segroves 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:

- o Aye: Bob Flynn, Michael Moldenhauer, Jay Gray, Rusty Mansel, Kevin Mele, Thomas Segroves, Walter Siehien
 - o Nay: None
 - o The motion passed.

11. Other Business

The board asked about how the Broadband installation was going. Mr. Key explained that it was progressing well, and that the current communications with the broadband installer was going much smoother than in the past. No other business was discussed.

12. Motion to Adjourn:

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

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

The meeting adjourned at approximately 10:39pm.

Prepared by Megan Pittman – Director of Administration
Approved: April 20, 2021