
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
April 20, 2021**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Authority”) was held on Tuesday, April 20, 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 (Virtually)
Jay Gray
Rusty Mansel
Kevin Mele
Thomas Segroves
Walter Siehien

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 p.m. 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 Hearing for Rate Adjustments
 - a. Presentation about Rates
 - b. Public Comments about Rates
 - c. **Resolution 2021-04.01:** Rates
4. Public Hearing for Eminent Domain
 - a. **Resolution 2021-04.02:** Route 122 Waterline Relocation – Eminent Domain
5. Public Comments for all issues other than the public hearings
6. Approval of Minutes: March 16, 2021 – Regular Board Meeting
7. Financial Report: Presented by Jill Underwood
 - a. Financial Statements through month end February 2021
 - b. **Resolution 2021-04.03:** Approval of Operating Budget for FY 2021-2022
 - c. **Resolution 2021-04.04:** Approval of Capital Improvement Projects for FY 2021-2022
8. Operations Report: Presented by Nathan Carroll
 - a. Work Order Summary

9. Administration Report: Presented by Megan Pittman
 - a. Public Relations Information
 - b. **Resolution 2021-04.05:** Time of Giving Volunteer Program Policy 20.60
10. Engineering Report: Presented by Rhonda English
 - a. Projects Summary
11. Executive Director's Report: Presented by Brian Key
 - a. **Resolution 2021-04.06:** Board Compensation
12. Other business not covered on the above agenda
13. Motion to Adjourn

3. Public Hearing for Rate Adjustments

a. Presentation about Rates

Mr. Key shared a short presentation about the proposed rate change for FY 2021-2022, analyzing this year's change in the context of the ten-year equalization process.

b. Public Comments about Rates

There were no comments for the rate hearing.

c. **Resolution 2021-04.01:** Rates

This resolution is necessary to adopt the rates and support the FY 2022 operating budget.

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 20th day of April 2021, beginning at 7:00pm:

WHEREAS, to provide sufficient revenue to cover all of the expenditures that are included in the proposed FY 2021-2022 operating budget, certain changes have been proposed to the Authority schedule of rates and charges; and,

WHEREAS, the Authority has provided sufficient notice in the Bedford Bulletin on March 24, 2021 and March 31, 2021 and conducted a public hearing on Tuesday, April 20, 2021 to solicit public comments on the proposed changes to the schedule of rates; and,

WHEREAS, the Board of Directors of the Authority has reviewed the proposed changes to the schedule of rates and rate information and desires to implement these changes; 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 rates as properly advertised. The new rates will be effective for all usage beginning on June 1, 2021 and for all bills sent out after June 30, 2021.

Member Segroves made a motion to approve this resolution.

Member Moldenhauer seconded the motion.

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

4. Public Hearing for Eminent Domain

a. **Resolution 2021-04.02:** Route 122 Waterline Relocation – Eminent Domain

Staff has continued efforts to reach the Stevens to discuss and obtain the final easement necessary for this project. Upon conclusion of the public hearing, the resolution will authorize the use of eminent domain where needed.

Mr. Key provided information to the Board regarding the effects having the Route 122 Waterline out of service has had on the Authority's ability to serve our customers, particularly Lowe's of Bedford; the store is experiencing low water pressure..

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 20th of April 2021, beginning at 7:00pm

Whereas, the Bedford Regional Water Authority (the “Authority”), 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”), needs to relocate an 18-inch water transmission main along Moneta Road between Ratliff Road and Placid Lane due to slope failures in the Virginia Department of Transportation (“VDOT”) right-of-way and direction from VDOT for relocation to be established outside of their right-of-way in this area of Bedford County, Virginia; and,

Whereas, the Director of Engineering has informed the Board of Directors of the Authority that the relocated water line is needed to provide adequate water supply to the Bedford Central and Forest service areas; and,

Whereas, the Director of Engineering has informed the Board of Directors of the Authority that the most suitable location for the relocated water line is through the adjacent private properties in Bedford County, Virginia between Placid Lane and Ratliff Road, at a distance away from the right-of-way so as not to interfere with VDOT slope repairs or future potential failures; and,

Whereas, the Director of Engineering has informed the Board of Directors of the Authority a) that negotiations have not progressed with the owners of the properties listed herein, b) that the easements are needed for the new relocated water line, c) the methodology used in valuing the easements, as attached to this resolution, for purposes of making a good faith offer; and,

Whereas, the Director of Engineering has informed the Board of Directors of the Authority that the amount of property to be taken is not more than is necessary to achieve the stated public use; and,

Whereas, the Director of Engineering has determined that the Authority will need to acquire permanent easements from the following persons who own property along the proposed route as described above in Bedford County, Virginia, but who do not seem at this time amenable to a voluntary conveyance of the needed easements. The easement areas and easement values also follow; and,

Tax Map Parcel 198 1 1:

Owners: Montgomery M. & Janice G. Stevens;

Easement Area: 10549.25 Square Feet Permanent Water Line Easement Area, 1636.14 Square Feet Permanent Water Line Easement Area to be vacated;

Easement Value: \$1,046.45

WHEREAS, in order to proceed with the new potable water line, the Director of Engineering has recommended that the Authority acquire such permanent water system easements either through negotiations with the property owners or through the exercise of eminent domain if negotiations with the property owners prove unsuccessful; and,

WHEREAS, the Authority has been unable to acquire the permanent water system easements with the property owners; and,

WHEREAS, the Authority properly advertised a public hearing for the purpose of informing the public of the need to exercise eminent domain to acquire the permanent water system easements, and such public hearing was held at the offices of the Authority at 7:00 p.m. on April 20, 2021 for the purpose of giving all citizens the opportunity to state their views; now,

THEREFORE, BE IT RESOLVED by the Board of Directors of the Bedford Regional Water Authority that acquisition of the permanent water system easements through the exercise of eminent domain is hereby approved and the Director of Engineering is hereby authorized and directed to initiate condemnation proceedings and to take all steps necessary to acquire the permanent water system easements through the exercise of eminent domain.

Member Gray made a motion to approve this resolution.

Member Mele seconded the motion.

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

The public hearing for both the rates and eminent domain closed at 7:24 pm.

5. Public Comments for all issues other than the public hearings

There were no public comments.

6. Approval of Minutes: March 16, 2021 Regular Board Meeting

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

Member Segroves made a motion to approve the minutes.

Member Siehien seconded the motion.

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

7. Financial Report: Presented by Jill Underwood

a. Financial Statements through month end March 2021

There are currently 305 residential customers that are past due, totaling \$99,378. There are 3 businesses that are past due totaling \$1,572. To compare to February's financials: the amount of payments increased 8.72%, water revenue decreased 10.88% and sewer revenue decreased 8.14%. In comparison to March 2020, water revenue increased 3.06% and sewer revenue increased 2.17%.

Ms. Underwood reviewed some of the details about the financial reports for the period ending March 2021. The targeted budget goal for March was 75%; operating revenues were 80%, and operating expenditures were 63%. Capital recovery fees received are 132% of the total budgeted amount, with water at 101% and sewer at 233%. There were 14 new connections, 11 in Forest and three in Moneta in March.

The remainder of the moral obligation from the County was received for FY 2021 and debt service payments were made in advance of the April 1st due date. The first interest payment for the ESCO project was made. As a reminder, principal and interest are paid in October and interest only in April.

Country Estates and Mariners were updated in the CIP tracking sheet to show their progress.

The transition to Invoice Cloud for third party credit card payments continues to be smooth as more customers use the system.

b. Resolution 2021-04.03: Approval of Operating Budget for FY 2021-2022

The Finance Committee reviewed the operating budget at their meetings on February 25, 2021, and March 24, 2021. Ms. Underwood gave a summary of the major changes in the proposed FY22 budget.

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 20th day of April 2021, beginning at 7:00pm:

WHEREAS, the Board of Directors of the Authority have been presented with the FY 2021-2022 Budget, with a summary indicating Total Revenues in the amount of \$18,401,904 and Cash Operating Expenses in the amount of \$15,907,075 and Total Expenditures (including depreciation) in the amount of \$19,164,553 (the "Operating Budget Summary"); and, **WHEREAS**, in support of the Operating Budget Summary, a Detailed Report of Revenues and Expenditures for FY 2021-2022 (the "Line Item Budget") has been submitted to the Board indicating line item expenditures within the categories contained in the Operating Budget Summary; and,

WHEREAS, the Finance Committee of the Board of Directors has thoroughly reviewed this information and recommends that the Authority approve the Operating Budget as presented; now,

THEREFORE, BE IT RESOLVED, that after careful consideration of the Authority's fiscal position, its anticipated revenues, its necessary expenses, as well as its bond covenants, the Board of Directors of the Bedford Regional Water Authority does hereby:

- 1) approve the Fiscal Year 2021-2022 Line Item Budget, and thereby authorize and appropriate the Total Expenditures contained in the Operating Budget Summary subject to receipt of the Revenues estimated therein; and;
- 2) authorize the Executive Director to move items with discretion within the Operating Budget Summary Categories from line item to line item, consolidate or delete line

items, and otherwise spend funds in the Operating Budget Summary categories without further action on the part of the Board; and,

- 3) require that the Executive Director ensure that a report of the Revenues and Expenditures be made to the Board at its regular meetings and more often if requested.

On behalf of the Finance Committee, Member Mele 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. **Resolution 2021-04.04:** Approval of Capital Improvement Projects for FY 2021-2022

The Finance Committee reviewed the FY 2020-2021 CIP Budget at a meeting held on March 24, 2021, which includes both internal purchases and projects. This budget includes using operating excess from the budget along with operating reserves that were set aside in previous years to allow the Authority to be more proactive. Ms. Underwood highlighted a few of the major projects. Mr. Moldenhauer praised the CIP presentation in the packet stating it was the best he's ever seen.

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 20th day of April 2021, beginning at 7:00pm:

WHEREAS, the Board of Directors of the Bedford Regional Water Authority approved the Fiscal Year 2021-2022 Operating Budget ("Operating Budget") resolution 2021-04.03, with Total Revenues in the amount of \$18,401,904 and Cash Operating Expenses in the amount of \$15,907,075; and,

WHEREAS, the total operating coverage minus replacement capital as of July 1, 2021 is projected to be \$1,025,829; and,

WHEREAS, the total balance in the Virginia Investment Pool (VIP) reserve accounts is \$1,488,521; now,

WHEREAS the Finance Committee has reviewed the complete listing of proposed purchases and projects expenditures, and have recommended approval to the Board of Directors; now, **THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Bedford Regional Water Authority does hereby approve of proceeding with the Capital Improvement Projects presented in the amount of \$1,548,925 with the specific authorization given to the Executive Director to add, delete, or reprioritize the items on the attached project listing as long as the total amount of the capital expenditures does not exceed the amount listed above without further board action.

On behalf of the Finance Committee, Member Segroves 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. Operations Report: Presented by Nathan Carroll

a. Work Order Summary

Mr. Carroll expanded upon Mr. Key's earlier comments regarding Lowe's of Bedford and provided additional information to the Board regarding his communications with Lowe's staff since January 2021 relating to the Route 122 Waterline being out of service since December 18, 2020.

Mr. Carroll also presented the summary and provided clarification on the new reporting provided by Cartegraph.

He stated that the blower that failed at the Central WWTP has been put back in service after getting repaired which would allow the rental to be returned this week. Construction for the ESCO project is estimated to begin in August, with equipment delivery expected in September or October. The project's substantial completion date is still January 31, 2022.

The additional granular activated carbon contactor for SMLWTF should be delivered in the next 30 days. The replacement disk filter is being manufactured and once installed should resolve the issues that have led to receiving two warning letters from DEQ.

9. Administration Report: Presented by Megan Pittman

a. Public Relations Information

Ms. Pittman reviewed the articles included in the packet.

b. **Resolution 2021-04.05:** Time of Giving Volunteer Program Policy 20.60

Per the board's request at the March board meeting, legal counsel has reviewed the policy examining potential liability if an employee was injured or involved in an accident while volunteering. Legal counsel made a few suggestions that would allow the program to operate at a low risk for the Authority and are reflected in the revised policy. The board requested a quarterly report about the progress of the program.

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 20th day of April 2021, beginning at 7:00 pm:

WHEREAS, it is recognized by the Board that encouraging Authority employees to become involved in volunteering is a very important benefit to the community; and,

WHEREAS, the Authority supports volunteering by providing an optional Time of Giving Volunteer Program as a benefit for employees who choose to volunteer at a 501(c)(3) organization while off duty; and,

WHEREAS, attached to this resolution is the policy that outlines the program and would allow employees to volunteer for up to eight (8) hours outside of regular working hours to receive compensatory time; and,

WHEREAS, as an added incentive, the program also allows an employee to enter into a drawing to win a gift card for every eight hours of volunteer time that abide by the guidelines of this program; now,

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Authority approves Policy 20.60 Time of Giving Volunteer Program.

On behalf of the Personnel Committee, Member Mansel 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.

10. Engineering Report: Presented by Rhonda English

a. Projects Summary

Ms. English highlighted a few major projects. The Burnbridge Sewer Project is moving forward; the project may be approved for construction soon. The Ivy Creek Project should be submitted to the County for the Special Review Project to go before the Planning Commission in June. Staff are working with the design build team for the 460 Pump Station project and hope to have a comprehensive agreement at the next board meeting.

Also included in the packets is a schedule of the CIP/Replacement projects in progress.

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

a. **Resolution 2021-04.06:** Board Compensation

Based on the discussion at the March 2021 board meeting, the Policies and Projects committee reviewed some changes to the Bylaws Policy 1.30. The committee recommended adding that mileage reimbursement may be paid under an accountable plan as detailed in Internal Revenue Service Publication 463.

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 20th of April 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 current board compensation and they also reviewed the impact if mileage were to be paid to board members for attendance at meetings; and,

WHEREAS, the Committee recommends that the Bylaws Policy 1.30 be changed as shown with markups on the attached policy; now,

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

12. Other Business

Board members have the option to get an Authority email address; please contact Mr. Key if you would like an email address.

13. Motion to Adjourn:

There being no further business to discuss, Member Siehien 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 8:09 p.m.