



1723 Falling Creek Road
Bedford, VA 24523-3137
(540) 586-7679 (phone)
(540) 586-5805 (fax)
www.brwa.com

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

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“BRWA”) was held on Tuesday, November 16, 2021, in the Board Meeting Room in BRWA’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
Thomas Segroves
Walter Siehien (Virtually)

Members Absent: Kevin Mele

Staff & Counsel Present: . Brian Key – Executive Director
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: October 19, 2021 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
 - a. Financial Statements through month end October 2021
 - b. Annual Comprehensive Financial Report: Presented by Chris Banta (Brown Edwards)
6. Administration Report: Presented by Megan Pittman
7. Engineering Report: Presented by Rhonda English
 - a. Project Summaries
 - b. Resolution 2021-11.01 – Prepayment for Forest Middle School Lift Station
8. Executive Director’s Report: Presented by Brian Key
 - a. Operations Report
 - b. Resolution 2021-11.02 – Town ARPA Agreement

9. Closed Session pursuant to Section 2.2-3711 A. 1. of the Code of Virginia, 1950, as amended; this closed meeting is to discuss personnel matters, specifically related to the results of the compensation study.
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: October 19, 2021 Regular Board Meeting

The regular Board Meeting Minutes from October 19, 2021, were reviewed.

Member Moldenhauer made a motion to approve the minutes.

Member Mansel seconded the motion.

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

5. Financial Report: Presented by Jill Underwood

a. Financial Statements through month end October 2021

The BRWA has been awarded \$57,977.71 in federal State and Local Fiscal Recovery Funds (SLFRF) through the American Recovery Plan Act (ARPA) for the COVID-19 ARPA SLFRF Municipal Utility Assistance Program. These funds are to be used to directly assist residential municipal utility customers with arrearages greater than 60 days for the time between March 12, 2020, and August 31, 2021. The BRWA is working with the County as the BRWA's fiscal agent to accept the funds by developing an MOU and completing the required certification documentation. Required documentation is being accepted biweekly until January 21, 2022.

The budget goal is 33% for October with operating revenues at 36% and operating expenses at 30%. Capital Recovery fees received so far this FY are 37% of the total budgeted amount, with water at 25% and sewer at 81%. There were 13 new connections in Forest and two at Smith Mountain Lake during October.

There were a total of 187 customers disconnected for non-payment in October, which is higher than before the pandemic. To compare to September's financials: the amount of payments decreased 20.73%, or \$265,330.

The final audited financials are included in the packet. For FY 2021, revenues ended at 108% and expenses at 96%. Total capital recovery fees were 175%.

b. Annual Comprehensive Financial Report: Presented by Chris Banta (Brown Edwards)

Chris Banta, a Partner with Brown Edwards, gave a presentation of the audit, highlighting key points including the statement and changes of net position, cash flow statement, compliance, internal governance, and internal control. Travis Gilmer, a Director with Brown Edwards was also in attendance.

The board requested that staff compile the costs associated with the auditor's internal control comments and suggestions, particularly as related to segregation of duties.

6. Administration Report: Presented by Megan Pittman

Ms. Pittman reviewed the articles included in the packets; topics included ARPA discussions and the BRWA's *Enjoy Your Feast Recycle the Grease* campaign. The grease program is done every year around the holidays to educate the community about how to properly dispose of grease. We have partnered with Lynchburg to gain more exposure and expand grease kit pick-up and drop-off locations. Locations include our main office facility, SML Water Treatment Facility, Bedford Christian Ministries, and various other locations.

Ms. Pittman also mentioned the annual Winter Luncheon which the board is invited to. This year the event is in two parts: one small group lunch followed by a virtual component for games, awards, and prizes. If board members would like to attend the lunch, please let Ms. Pittman know so lunch is ordered at the preferred facility.

Ms. Pittman reported that 50 employees, including board members, have been vaccinated. This is 56% of our staff. Ten employees were vaccinated during the COVID vaccine program. The board requested that staff look into continuing the incentive and possibly including booster shots in the program.

7. Engineering Report: Presented by Rhonda English

a. Project Summaries

The parking lot project is stalled due to a delay in stormwater materials. The annual construction term contracts are up for automatic renewal in December. Easements continue to come in for Ivy Creek. The 460 Pump Station project will begin construction in December.

Mr. Flynn asked if service can still be put in the easement at the Moneta Storage Unit facility due to a retaining wall being constructed in conflict with the sewer line. Ms. English replied that they are working to relocate the line to resolve the issue.

b. Resolution 2021-11.01 – Prepayment for Forest Middle School Lift Station

Ms. English briefly reviewed the purpose and process of the Prepayment Policy. The issuance of prepayment credits for Westyn Village LLC to perform upgrades to the Forest Middle School Lift Station was previously approved by the Board on October 20, 2020. Since approvals are only valid for one year per the Prepayment Policy, this resolution is provided for the board's review and consideration to offer an extension of the deadline for prepayment credits being issued.

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 November 2021, beginning at 7:00pm

WHEREAS, the Authority received a request from Westyn Village LLC ("Developer") for prepayment credits in the amount of \$602,820 per the Prepayment Policy 4.40 ("Policy") for the reimbursement of construction expenses for upgrades to the Authority's Forest Middle School Lift Station ("Station") in Forest, Virginia ("Project"); and,
WHEREAS, remaining capacity of the Station is unable to support Westyn Village Phase 2 and Phase 3 ("Development") as proposed by the Developer, or support further development in the drainage area of the Forest Middle School Lift Station; and,
WHEREAS, the Developer agrees to upgrade the Station to provide a minimum additional capacity of 25,000 gallons per day average and 44 gallons per minute peak flow above and beyond the additional capacity needed to serve their development; and,
WHEREAS, the Project is proposed as a future Capital Improvement Project for the Authority; and,

WHEREAS, the Authority desires to bring the Station up to its current standards which may increase the cost estimate for the Project as provided by the Developer; and,
WHEREAS, the Authority is in receipt of bonding for the Project and anticipates partial issuance of Prepayment credits in up to four phases based upon progress of construction and verified construction payments, with the final credits to be issued upon construction completion and verification of costs; and,
WHEREAS, the Policy states that “Each project proposed for reimbursement shall be evaluated by the Board of Directors on a case by case basis”, and the Policies and Projects Committee (“Committee”) has reviewed the request at a Committee meeting that took place on October 13, 2020; and,
WHEREAS, the Committee recommended partial approval of the prepayment credit issuance requested by the Developer with the requirement that the Developer hold some financial responsibility towards the Project cost; and,
WHEREAS, the Prepayment Policy states that “After the Board of Directors gives approval for a project to have prepayment credits issued, the credits must be issued within one (1) year or the agreement will be void”; that the Board of Directors authorized the issuance of prepayment credits for the Project on October 20, 2020 in Resolution 2020-10.01 which expired on October 20, 2021; now,
THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the Director of Engineering to execute an agreement with the Developer for the issuance of prepayment credits as a reimbursement of the Project in an amount not to exceed \$100,000 less than the verifiable costs of construction for the Project.

Member Gray made a motion to approve this Resolution.

Member Segroves made a Second to approve.

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

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

a. Operations Report

Mr. Key presented the report in Mr. Carroll’s absence. Member Gray asked about the high amount of time spent working in the Central service area this month, and Mr. Key responded that it was typical for the Authority to spend the majority of the time each month working in the Central area. It was also explained that the utility locator staff spent considerable time at the Central Wastewater Treatment Plant in October to prepare for the ESCO project.

b. Resolution 2021-11.02 – Town ARPA Agreement

A draft agreement with the Town of Bedford for the American Rescue Plan Act (“ARPA”) funding was included in board packets for review. This resolution would authorize the execution of a substantially similar agreement to the one included in packets. The agreement has been reviewed by Sam Darby as the BRWA’s legal counsel, and his comments are included in this draft.

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 November 2021, beginning at 7:00pm:

WHEREAS, 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, et seq. (the “Act”); and,

WHEREAS, the Town of Bedford, Virginia (“Town”) has received American Rescue Plan Act (“ARPA”) funding from the federal government, and the Town Council has approved of allocating a portion of these funds to the Authority for water and sewer projects; and, **WHEREAS**, a Grant Subrecipient Agreement (“Agreement”) has been drafted for execution between the Town and the Authority, and said Agreement has been reviewed by both parties legal counsels; now, **THEREFORE, BE IT RESOLVED**, that the Board of Directors does hereby authorize the Executive Director to execute an agreement with the Town that is substantially similar to the draft agreement that was presented to the Board of Directors with this resolution.

Member Segroves made a motion to approve this Resolution.

Member Moldenhauer made a Second to approve.

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

9. Closed Session pursuant to Section 2.2-3711 A. 1. of the Code of Virginia, 1950, as amended; this closed meeting is to discuss personnel matters, specifically related to the results of the compensation study.

Member Gray 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, specifically related to the result of the compensation study.

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

The board entered into closed session at approximately 8:20 pm.

At approximately 9:05pm Member Gray moved that the board exit closed session and return to open session. Member Moldenhauer seconded the motion.

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

Member Flynn 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, Jay Gray, Rusty Mansel, Michael Moldenhauer, Thomas Segroves, Walter Siehien
 - Nay: None
 - The motion passed.

10. Other Business

Mr. Key updated the board that Clay Chastain has filed a motion with the court to request a modification to the amount of the bond requirement that was required to be paid before BRWA connections would be made. The court summarily denied the request; if Mr. Chastain does not pay the \$10,000 by November 30, 2021, the case will be dismissed. If he files the money, the BRWA will have to make the connections within 14 days, and the BRWA will have to go back to court in February 2022 to make the argument that the cost should be the full connection fee.

11. Motion to Adjourn:

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

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

The meeting adjourned at approximately 9:12 pm.

Prepared by Megan Pittman – Director of Administration
Approved: December 21, 2021