
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
March 15, 2022**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, March 15, 2022, 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
Thomas Segroves
Walter Siehien

Members Absent:..... Rusty Mansel
Kevin Mele

Staff & Counsel Present: . Brian Key – Executive Director
Nathan Carroll – Assistant Executive Director (Virtually)
Rhonda English – Director of Engineering (Virtually)
Jill Underwood – Director of Finance
Megan Pittman – Director of Administration (Virtually)
Whitney Quarles – Engineering Manager (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 Comments
4. Approval of Minutes: February 15, 2022 – Regular Board Meeting
5. Administration Report: Presented by Megan Pittman
 - a. Public Relations
 - b. Resolution 2022-03.01: Health Insurance Renewal
6. Financial Report: Presented by Jill Underwood
 - a. Financial Statements through month end February 2022
 - b. Finance Committee Meeting Summary - March 3, 2022
 - c. Resolution 2022-03.02: Advertise Rates
 - d. Resolution 2022-03.03: Policies
7. Operations Report: Presented by Nathan Carroll
8. Engineering Report: Presented by Rhonda English
 - a. Project Reports
 - b. Resolution 2022-03.04: Ivy Creek Interceptor Divisions 5 & 6 - Acquisition of Easements

9. Executive Director's Report: Presented by Brian Key
10. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically to review the annual evaluation of the Executive Director
11. Other business not covered on the above agenda
12. Motion to Adjourn

3. Public Comments

There were no public comments.

4. Approval of Minutes: February 15, 2022 Regular Board Meeting

The regular Board Meeting Minutes from February 15, 2022 were reviewed.

Member Segroves made a motion to approve the minutes.

Member Siehien seconded the motion.

- Board member votes: 5 Aye; 0 Nay; 0 Abstain. The motion carried.

5. Administration Report: Presented by Megan Pittman

a. Public Relations

Ms. Pittman reviewed the article in *The Bedford Bulletin* highlighting the BRWA safety person of the year: Jennifer Mitchell, Wastewater Operations Supervisor. Ms. Pittman also showed a video about how to diagnose water leaks. These videos are being created as another resource for customers on important topics. Mr. Key added that this was a request that came out of the last local government round table meeting.

b. Resolution 2022-03.01: Health Insurance Renewal

Ms. Pittman reviewed the health insurance rates and resolution, which shows a 7.5% increase from last year. This resolution is required before March 25th 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 15th day of March 2022, 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 2022, and included in the renewal are the proposed rates for Fiscal Year 2022-2023; 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 2022-2023; 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 March 25, 2022; 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 the committee, no second motion was needed.

Board Member Votes: 5 Aye; 0 Nay; 0 Abstain. The motion carried.

6. Financial Report: Presented by Jill Underwood

a. Financial Statements through month end February 2022

Due to the billing system implementation and delays in sending out billing statements, disconnects were not performed in February. The monthly disconnect information can be viewed on the Tracking Data for the Customer Service Department report (lines 20 and 21) in the board packet.

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. Since the arrearage balances have to be as of August 31, 2021, staff updated the amounts to reflect payments made since August 2021 and only \$35,587.74 remains outstanding under the program criteria.. The unused funds will be remitted back to the state by the County, the entity acting as the BRWA's fiscal agent for this program.

The budget goal was 67% for February with operating revenues at 65% and operating expenses at 59%. Capital Recovery fees received this FY is 75% of the total budgeted amount, with water at 58% and sewer at 134%. There were 16 new connections in Forest and one at Smith Mountain Lake during February.

Mr. Moldenhauer asked if Ms. Underwood wanted to change banks, potentially to a local bank, due to the reporting issues during the transition to Truist. Ms. Underwood said an RFP could be sent out for this; it is a big process to transition banks and could be explored after the budget is completed.

Ms. Underwood explained that the Finance Committee met and reviewed the first draft of the budget on March 3rd. The Committee will meet again on March 23rd to discuss the Capital Improvement Program. The budget will be presented to the Board at the April Board meeting.

b. Finance Committee Meeting Summary - March 3, 2022

The Committee discussed the bill pay kiosk, which is an estimated \$80,000 to install. After staff analyzed the amount of cash payments taken in, staff recommended to not proceed with the kiosk, especially with the office opening up to the public in April. The Committee agreed to put this project on hold until the board could review it together. After discussion, the board agreed to hold off on the kiosk for now.

The next topic that was discussed was a proposed policy is to formalize the process that has been taking place for quite some time regarding the Capital Reserve Accounts.

The Committee also reviewed the Benefits policy, including updates to the percentages paid by the Authority to reflect the contribution amounts that the BRWA are paying currently. This was previously approved by the Committee and the Board a few years ago, and the policy is being updated to reflect the approved changes.

The board discussed the timing of issuing an RFP for audit services for FY 2022, expressing concern in the quick time frame in deciding for this year. The board recommended releasing the RFP after the audit is completed for FY 2022.

The Committee discussed the proposed budget. This is year nine of the rate equalization process. The goal in the past has been to keep increases less than \$3.00 per month (for both water and sewer, individually) for the average customer, and this year's rates come close to meeting that goal.

c. Resolution 2022-03.02: Advertise Rates

For the new rates to be effective on June 1, 2022, as will be seen on all bills sent out after June 30, 2022, a public hearing should be held in April of this year. 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 15th day of March 2022, 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 2022-2023, 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 23, 2022 and March 30, 2022 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 19, 2022; 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. Being a motion from a committee, a second motion was not needed.

Board Member Votes: 5 Aye; 0 Nay; 0 Abstain. The motion carried.

d. Resolution 2022-03.03: 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, in order to formalize processes that are already being done, policy 10.33 Reserve Accounts was created to provide additional guidance for reserve accounts; and,

WHEREAS, revisions were needed to document the contributions for both the Authority and the employees for health insurance premiums in policy 20.20 Benefits; and,

WHEREAS, at a meeting that was held on March 3, 2022 the Finance Committee ("Committee") reviewed the policies noted above and has recommended the addition of and revisions to the policies to be presented to and approved by the Board of Directors of the Authority; now,

THEREFORE, BE IT RESOLVED by the Board of Directors of the Bedford Regional Water Authority that 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 a committee, no second motion was needed.

Board Member Votes: 5 Aye; 0 Nay; 0 Abstain. The motion carried.

7. Operations Report: Presented by Nathan Carroll

Mr. Carroll stated that Forest had the higher amount of work accounted for in the last month, due to a valve installation, new water installations, and pipe repairs.

Mr. Carroll reported that the new disk filter at Smith Mountain Lake Water Treatment Facility is in service. Now that production at the SML WTP is not restricted by an inoperable backwash water disposal system, Water Operations will work to balance the amount of water sent to Forest from the SML WTP. This is in an effort to keep the amount of water purchased from the City of Lynchburg closer to the amount we are contractually obligated to purchase.

The 460 pump station project's substantial completion date is in June, with the final completion set for July.

8. Engineering Report: Presented by Rhonda English

a. Project Reports

The parking lot project has crews onsite again with the final grade slated to be completed next week. The project is set to be fully finished by June. The department is working closely with the CIP crew on waterline replacement projects around the Laurel and Peaks Street areas in Town, focusing on the smaller galvanized water mains. The Ivy Creek Project public hearing was held on Monday. Only two people attended which resulted in a smooth and uneventful hearing. The Forest Middle School replacement project has been closed out.

b. Resolution 2022-03.04: Ivy Creek Interceptor Divisions 5 & 6 - Acquisition of Easements

The Design-Build team has been working to secure easements for the installation of a new sanitary sewer main along Ivy Creek in the Forest area of Bedford County and into the City of Lynchburg. Ms. English amended the resolution to delete three easements due to getting that paperwork completed before the meeting. Mark and Robin Boling were deleted as well as two for Whitaker and Abbey Johnston. If the board agrees to authorize the use of eminent domain where needed, the resolution would allow this action to take place.

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 15th of March 2022, 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 install a 30-inch and 36-inch gravity sanitary sewer main along Ivy Creek in the Forest area of Bedford County and into the western portion of the City of Lynchburg; and,

WHEREAS, the Director of Engineering has informed the Board of Directors of the Authority that the existing sewer system is at capacity and requires upgrading; and,

WHEREAS, the Director of Engineering has informed the Board of Directors of the Authority that the most suitable location for the installation of the sewer interceptor is through the adjacent private properties in Bedford County, Virginia and the City of Lynchburg, Virginia between Chapel Lane and the existing Lake Vista Pump Station on Cottontown Road; 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 sanitary sewer 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, and in the City of Lynchburg, 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;

Parcel ID: 22301003,
Owners: Michael Nuckles
Easement Area, Permanent: 15,168.28 square feet
Easement Area, Temporary: 15,175.01 square feet
Total Easement Value: \$983.91

Parcel ID: 8302900
Owners: Michael Nuckles
Easement Area, Permanent: 2,484.63 square feet
Easement Area, Temporary: 2,484.63 square feet
Total Easement Value: \$1,187.50

Parcel ID: 8206000
Owners: Delbert & Diane Green
Easement Area, Permanent: 52,283.06 square feet
Easement Area, Temporary: 35,488.15 square feet
Total Easement Value: \$13,000.00

AND, WHEREAS, in the event that the Authority is unable to acquire the necessary easements through negotiation with the property owners, the Director of Engineering has presented a proposed schedule for public advertisement and a public hearing for the purpose of informing the public of the need to exercise eminent domain to acquire the permanent easement; and, **WHEREAS**, such public hearing, if necessary, will be scheduled to take place at the offices of the Authority at 7:00 p.m. on April 19th, 2022 for the purpose of giving all citizens the opportunity to state their views on the exercising of eminent domain over the subject property for the purpose of acquiring the necessary sewer system easements; now,

THEREFORE, BE IT RESOLVED by the Board of Directors of the Bedford Regional Water Authority that (1) acquisition of the necessary sewer system easements as recommended are for the public use of a sewer interceptor and that no more private property is being taken than that which is necessary to achieve the stated public use, (2) that the calculation of the fair value of the easements is reasonable, (3) that such acquisition is hereby approved, and (4) that the Director of Engineering is hereby authorized and directed to negotiate the specific terms of easement agreements and to execute and deliver the same in consideration of the fair values as computed, or to prepare and send a good faith offer letter and, if no agreement can be reached after negotiating with the owners of the subject properties, to acquire the sewer system easements through the exercise of eminent domain; and,

BE IT FURTHER RESOLVED, that if the Authority is unable to negotiate successfully with the owners of the subject properties to acquire the necessary sewer system easements, the Board authorizes and directs the Director of Engineering to advertise the acquisition of the necessary easements through the exercise of eminent domain and to make appropriate arrangements, including advertising of a public notice, for the public hearing on April 19th, 2022; and,

BE IT FURTHER RESOLVED, that the Director of Engineering is authorized to obtain a title report, appraisal, and any other documentation needed to ascertain the values of the permanent easements; and,

BE IT FURTHER RESOLVED, that the Director of Engineering is authorized and directed to take such further action as shall seem to be necessary or convenient to obtain the necessary sewer easements.

Member Gray made a motion to approve this Resolution, as modified with the removal of three properties.

Member Moldenhauer made a Second to approve.

Board Member Votes: 5 Aye; 0 Nay; 0 Abstain. The motion carried.

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

Mr. Key spoke to a few officials with Bedford County and they have agreed to host a joint Water and Sewer Committee meeting to discuss ARPA funds. The Moneta Park Waterline may be a project considered for ARPA funds.

Mr. Key stated that Clay Chastain has stated that he is appealing the circuit court's decision. This is likely to continue through litigation and the details of this issue should not be discussed in open session.

10. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically to review the annual evaluation of the Executive Director.

Mr. 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 review the annual evaluation of the Executive Director. Mr. Gray seconded the motion.

○ Board Member Votes: 5 Aye; 0 Nay; 0 Abstain. The motion carried.

- The board entered into closed session at approximately 8:15 pm.

At approximately 9:46 pm Member Moldenhauer moved that the board exit closed session and return to open session. Member Segroves seconded the motion.

○ Board Member Votes: 5 Aye; 0 Nay; 0 Abstain. The motion carried.

- Chair 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, Michael Moldenhauer, Thomas Segroves, Walter Siehien
 - Nay: None
 - The motion passed.

11. Other Business

No other business was discussed.

12. Motion to Adjourn:

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

- Board member votes: 5 Aye; 0 Nay; 0 Abstain. The motion carried.

The meeting adjourned at approximately 9:48 pm.