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**Bedford Regional Water Authority – Board of Directors  
Regular Board Meeting – Minutes  
March 21, 2023**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, March 21, 2023, 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  
Jay Gray, Vice Chair  
Donald Barger, Jr.  
Rusty Mansel  
Kevin Mele  
Michael Moldenhauer  
John Sharp

Members Absent: ..... none

Staff & Counsel Present:.. Rhonda English – Deputy Director  
Jill Underwood – Director of Finance  
Thomas Cherro – Director of Operations  
Megan Pittman – Director of Administration

**1. Call to Order**

The meeting was called to order by the Chair at approximately 7:02 p.m. The Pledge of Allegiance and a moment of silence were conducted.

**2. Review of Agenda**

The following agenda was reviewed as shown. Revisions are 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: February 21, 2023 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
  - a. Financial Statements through month end February 2023
  - b. Finance Committee Meeting Summary – March 8, 2023
  - c. Resolution 2023-03.01: Advertise Rates
6. Operations Report: Presented by Tom Cherro
7. Administration Report: Presented by Megan Pittman
  - a. Resolution 2023-03.02: Health Insurance
  - b. Public Relations Information
8. Executive Report: Presented by Rhonda English
  - a. Projects Report
  - b. Systematic Summary: Ivy Creek Sewer
9. Other business not covered on the above agenda
10. Motion to Adjourn

### 3. Public Comments

There were no public comments.

### 4. Approval of Minutes: February 21, 2023 - Regular Meeting

The regular Board Meeting Minutes from February 21, 2023, were reviewed.

Member Gray 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 2023

The budget goal was 67% for February with operating revenues at 70% and operating expenses at 56%. Revenue is recorded; however, some categories are being reported to incorrect GL accounts (i.e. Paradise Point water has some other service areas included). Finance is reviewing the details and making corrections in the billing software.

Capital Recovery fees received this FY are 92% of the total budgeted amount, with water at 95% and sewer at 87%.

The BRWA received \$632,636 in principal forgiveness on the financing for DEQ financing for Ivy Creek. This amount is available to use on project costs; however, the BRWA does not have to pay it back, therefore it is treated as a grant for financial reporting purposes.

Ms. Underwood is working on an RFP for audit services, including a single audit that will be required due to the ARPA funding, as well as the funding for the Ivy Creek project.

Mr. Sharp asked about the discrepancy between statements mailed and sent electronically versus the payments received. Ms. Underwood explained that all the lines of payment types have to be totaled to compare to the statements mailed. A revision may be made to the descriptors to help clarify this.

#### b. Finance Committee Meeting Summary – March 8, 2023

Ms. Underwood stated that the meeting was held on March 8<sup>th</sup> and the budget will be brought to the board at the April meeting.

Mr. Flynn explained that when the BRWA was formed the rates between the Town and County were very different, which resulted in a ten-year equalization study to slowly combine the rates into one.

Ms. Underwood said the model used for equalization had 3% built-in for inflation every year. However, this does not match the current rate of inflation and the proposed rates and budget has a higher inflation rate built into them to help match the inflation costs that are present.

There are a few miscellaneous rates and rate increases included in the rates advertised including water capital recovery fees, tap fees, tiered unauthorized connection fees, small grinder pump inspection and review fees, and a small grinder pump reinstatement inspection fee. Special rates for Cedar Rock, Mariners Landing, and Paradise Point base charges are proposed to increase in the same proportion as the base charges for other service areas.

c. Resolution 2023-03.01: Advertise Rates

For the new rates to be effective on June 1, 2023, as will be seen on all bills sent out after June 30, 2023, a public hearing will be held in May 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 21<sup>st</sup> day of March 2023, 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 2023-2024, 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 29, 2023 and April 5, 2023 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 May 16, 2023; now,

**THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Authority does hereby authorize the Executive Director and/or the Deputy Director to post notice of the changes to the rates as shown on the attached document.

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.

**6. Operations Report: Presented by Thomas Cherro**

In Water Operations, the bid work for flocculators at Central Water Treatment Plant was completed. The Central Water Treatment Plant is currently offline due to a chlorine water pump malfunction. Water service from Smith Mountain Lake has been feeding the Town. The Central Water Treatment Plant is estimated to go back online tomorrow.

In Wastewater Operations, the ESCO project is completed. Ms. Underwood explained that the contractor will meet with the BRWA to go through the reconciliation process to verify the cost savings. The wastewater team's focus is now on remodeling pump station 7. Due to high pricing received from the term contractor, this project will go out for bid.

In Maintenance, the new CIP Supervisor has started. His team will be focusing on the Peakview waterline replacement project.

There was an accident in the BRWA's work zone today on Blue Ridge Avenue. All of the proper procedures were addressed by the BRWA and no one was hurt. However, a trailer was totaled as well as the driver's car.

**7. Administration Report: Presented by Megan Pittman**

a. Resolution 2023-03.02: Health Insurance

The proposed health insurance rates for the fiscal year 2023-2024 reflect an 8.90% increase in the premium for the continuation of coverage. This resolution is required

before April 5<sup>th</sup> 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 21<sup>st</sup> day of March 2023, 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 March 2023, and included in the renewal are the proposed rates for Fiscal Year 2023-2024; 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 2023-2024; 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 5, 2023; 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.

Member Gray made a motion to approve this Resolution.

Member Barger made a Second to approve.

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

b. Public Relations Information

Ms. Pittman reported on a few upcoming events. The first is the Fireside Chat on Friday, March 31<sup>st</sup>. This is an event that is being brought back as a direct result of the employee survey that was completed by staff at the end of 2022. The BRWA is also hosting a ribbon-cutting event in conjunction with the Bedford Chamber of Commerce for the ESCO project at the Central Wastewater Treatment Plant. It will be on April 13<sup>th</sup> at noon. All board members are invited.

**8. Executive Report: Presented by Rhonda English**

a. Projects Report

Water Operations has been using the 460 pump station to serve both the Town and Forest at the same time due to the Central Water Treatment Plant being offline. The BRWA is working with a design consultant for the Western Hills subdivision to design replacements for the water and sewer lines. The CIP crew will be handling these replacements. The CIP project listing has been updated with completed projects moved to the bottom of the list, and reflect funding pulled from some projects to cover higher, necessary projects, such as the flocculators at the Central Water Treatment Plant.

A grant offer of \$1.2 million was received for the Town and Country sewer replacement project through the DEQ SCS funding. This is the same project the Town had allocated \$2 million of ARPA funds. There is a Town Council meeting next week where the BRWA is asking for a reallocation of funds to the Helms Street project.

The Forest Middle School Pump Station is about halfway done. The developer has purchased the land around the Elks Home. The BRWA will be working with them on the sewer capacity. The developer dedication reports are included in the packet.

b. Systematic Summary: Ivy Creek Sewer

Ms. English presented about the Ivy Creek Sewer Project and answered the questions the members had.

**9. Other Business**

There was no other business discussed.

**10. Motion to Adjourn:**

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

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

The meeting adjourned at approximately 8:28 pm.

Prepared by Megan Pittman – Director of Administration

Approved: \_\_\_\_\_ 2023