
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
May 16, 2023**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, May 16, 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
Michael Moldenhauer, Vice Chair
Donald Barger, Jr.
Jay Gray
Rusty Mansel
Kevin Mele
John Sharp

Members Absent: none

Staff & Counsel Present: . Brian Key – Executive Director
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 7:00 p.m. The Pledge of Allegiance and a moment of silence were conducted.

2. Review of Agenda

The following agenda was reviewed as shown. Revisions are shown in ***bold italics***.

1. Call to Order
 - a. Pledge of Allegiance
 - b. Moment of Silence
2. Review of Agenda
3. Public Hearing for Rate Adjustments
 - a. Open Public Hearing
 - b. Presentation about Rates
 - c. Public Comments about Rates
 - d. Close Public Hearing
4. Action Item Following Rate Hearing
 - a. Resolution 2023-05.01: Rates
5. Public Comments for all issues other than the public hearing
6. Approval of Minutes: April 18, 2023 – Regular Board Meeting
7. Financial Report: Presented by Jill Underwood
 - a. Financial Statements through month end April 2023
 - b. Resolution 2023-05.02: Rate Information Policy
 - c. Resolution 2023-05.03: Operating Budget
8. Operations Report: Presented by Tom Cherro
9. Administration Report: Presented by Megan Pittman

- a. Public Relations Report
- b. PFAS Notifications
10. Projects Report: Presented by Rhonda English
 - a. Summary of Projects
 - b. Resolution 2023-05.04: Capital Budget
11. Executive Report: Presented by Brian Key
12. Other business not covered on the above agenda
13. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically for discussions related to personnel including the annual evaluation of the Executive Director.
14. Motion to Adjourn

3. Public Hearing for Rate Adjustments

a. Open Public Hearing

The public hearing opened at 7:03 pm.

b. Presentation about Rates

Ms. Underwood explained that the rate advertisement ran in *The Bedford Bulletin* in March and April. This is the BRWA's 10th and final year in the rate equalization process. The rate study factored in a 3% inflation rate which does not cover the inflation rate over the past three years, and an adjustment was made to the rates to factor in inflation. The average residential customer using 4,000 gallons per month will have a water increase between \$4-\$6 and sewer customers will see an increase from \$3.50-\$3.80. Ms. Underwood also reviewed industrial and commercial rates, capital recovery fees, tap fees, tiered unauthorized connection fees, and special rates for subdivisions. Rates will go into effect on June 1st.

c. Public Comments about Rates

Ms. Nancy Leighton of 750 Peaks Street in the Town of Bedford said she is unhappy with the characteristics of her water. She also stated that she would also like tiered rates for water in the summer and winter due to outdoor watering. She said she had her water tested and biologicals were found in it. Mr. Key said that the Authority would investigate this area in an effort to determine the cause of her concerns.

d. Close Public Hearing

The public hearing closed around 7:25 pm.

4. Action Item Following Rate Hearing

a. Resolution 2023-05.01: Rates

Ms. Underwood explained that this resolution is necessary if the board decides to adopt the rates and support the FY 2024 operating budget, which will be presented later in the agenda.

Mr. Sharp requested that the BRWA evaluate the option of adjusting sewer rates for summer usage for fiscal year 2025. Mr. Key said that this issue can be addressed by an irrigation meter, a deduct meter, or winter averaging. However, the lost sewer revenue would need to be made up with the other rates to offset the averaging loss.

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 May 2023, 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, to provide sufficient revenue to cover all of the expenditures that are included in the proposed FY 2023-2024 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 29, 2023 and April 5, 2023 and conducted a public hearing on Tuesday, May 16, 2023 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 adopt the revised Rate Policy 2.00 and further authorizes 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, 2023 and for all bills sent out after June 30, 2023.

Member Gray made a motion to approve this Resolution.

Member Mele made a Second to approve.

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

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

There were no public comments.

6. Approval of Minutes: April 18, 2023 - Regular Meeting

The regular Board Meeting Minutes from April 18, 2023, were reviewed.

Member Moldenhauer made a motion to approve the minutes.

Member Mansel 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 April 2023

The Customer Service report for April is in the board packet. Based on the discussion at the April Board meeting, the original report from 2006 has also been included. Over the years, this report has evolved and fields have been added based on requests from the Board.

The budget goal was 83% for April with operating revenues at 86% and operating expenses at 72%. Finance is continuing to modify the GL distributions for revenue. Paradise Point and Mariners Landing are almost complete. Determining the correcting entry requires reviewing monthly billing data and filtering by address to determine which area revenue should be recorded. There are two months of data remaining to correct. Capital Recovery fees received this FY are 111% of the total budgeted amount, with water at 114% and sewer at 104%.

Finance is implementing a new Governmental Accounting Standard for this year's audit. This standard is reporting for Subscription-based information technology agreements. As more software gravitates to the cloud, this increases the reporting under this standard. The BRWA is using DebtBook to track these agreements.

b. Resolution 2023-05.02: Rate Information Policy

With the approval of Resolution 2023-05.01 for the rates, modifications were required to the 2.01 Rate Information policy; some of the changes include the following:

- Fire Meter Assemblies were renamed to Large Compound Meter Assemblies since some of these large meters are not used for Fire Suppression
- Revisions were necessary to include installing cleanouts on existing service laterals
- A section was added to include a sunset of base charges on Large Compound Meter Assemblies
- A tiered fee structure was added for Unauthorized Connection and Tampering fees
- A fee for Small Grinder Pump Reinstatement was added.

Mr. Sharp asked how customers will be made aware of the sunset clause and asked for clarity about the proof asked of the customer. Mr. Key said the committee discussed the burden of proof being placed on the customer. The board requested a letter go out to affected customers informing them of this change. Mr. Barger asked if a company could pay prior to the sunset being reached or if there could be a discount to pay it early. Mr. Key said it is not part of the policy currently, but that it could be added in the future if requested by a customer.

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 May 2023, 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, with the approval of the Rates with Resolution 2023-05.01, changes were required to the Rate Information Policy 2.01; now,

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

This resolution shall take effect immediately.

Member Barger made a motion to approve this Resolution.

Member Mele made a Second to approve.

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

c. Resolution 2023-05.03: Operating Budget

The Finance Committee reviewed the operating budget at their meetings on March 8, 2023, and April 5, 2023. The draft budget was presented to the Board at the April 18, 2023, regular Board meeting.

The proposed budget for FY 2023-2024 was included in the packet.

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 May 2023, beginning at 7:00 p.m.:

WHEREAS, the Board of Directors of the Authority has been presented with the FY 2024-2024 Budget, with a summary indicating Total Revenues in the amount of \$19,373, 762 and Cash Operating Expenses in the amount of \$17,037,064 and Total Expenditures (including depreciation) in the amount of \$21,624,664 (the “Operating Budget Summary”); and,

WHEREAS, in support of the Operating Budget Summary, a Detailed Report of Revenues and Expenditures for FY 2023-2024 (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 2023-2024 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 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.

8. Operations Report: Presented by Thomas Cherro

The ESCO project at the Central Wastewater Treatment Plant is completed and operational. Pump Station #7 is the next project that will be addressed. There have been a few erosion problems at pump stations, in particular at Pump Station #10, that will need to be corrected.

The CIP Maintenance team has finished the Gum Street waterline installation. This line will be tied in shortly for redundancy and will provide better isolation with the addition of new valves. Sewer work at Galax Street will begin soon.

The disc filter at SMLWTF is still out of operation. A contractor has visited the site and is working to find a solution. The Stoney Creek Reservoir is being sprayed this week to help with the algae bloom that occurs every summer. Mr. Mele asked if there was a non-chemical intervention that could be used. Mr. Key responded that the most common non-chemical response is aeration, which is a more expensive option.

9. Administration Report: Presented by Megan Pittman

a. Public Relations Report

Ms. Pittman reviewed the articles included in the packet.

b. PFAS Notifications

Ms. Pittman reviewed the letter that was included in the packets, which is going to be sent to any customer who may receive water from Smith Mountain Lake. Mr. Key explained the treatment process for this compound.

10. Projects Report: Presented by Rhonda English

a. Summary of Projects

Ms. English said the Ivy Creek Sewer project will begin laying pipe by the first week of June. The 460 pump station is substantially complete. The Authority is working with the contractor to automate a valve to be able to fully manage this system remotely. The Town and Country Sewer Replacement project is over 50% complete with the new change order. The Forest Middle School Pump Station is in operation with site items remaining.

b. Resolution 2023-05.04: Capital Budget

The Finance Committee reviewed the FY 2023-2024 CIP Budget, which includes both internal purchases and projects, at a meeting held on April 5, 2023.

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 May 2023, beginning at 7:00 p.m.:

WHEREAS, the Board of Directors of the Bedford Regional Water Authority approved the Fiscal Year 2023-2024 Operating Budget (“Operating Budget”) with resolution 2023-05.03, with Total Revenues in the amount of \$19,373,762 and Cash Operating Expenses in the amount of \$17,037,064; and,

WHEREAS, the total operating coverage minus replacement capital as of July 1, 2023 is projected to be \$736,698; and,

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 FY 2024 Capital Improvement Projects presented in the amount of \$706,000 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 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.

11. Executive Report: Presented by Brian Key

Mr. Key said that there was a meeting with the Town Manager, Mayor, and Vice Mayor prior to the the Board meeting. They discussed the status of the ARPA projects, strategic planning, and a roundtable meeting with the County and Town on October 5th from 11:30 am – 1:30 pm at the Welcome Center. The backup date is October 26th. Mr. Key attempts to meet with the Town and County officials quarterly.

Mr. Key said that he is scheduling a tour of BRWA sites on Thursday, June 1st for the board.

12. Other Business not covered on the above agenda

No other business was covered.

13. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically for discussions related to personnel including the annual evaluation of the Executive Director.

Member Sharp 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.

Member Moldenhauer seconded the motion.

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

- The board entered into closed session at approximately 8:41 pm.

At approximately 9:34 pm Member Sharp moved that the board exit closed session and return to open session.

Member Moldenhauer seconded the motion.

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

- Member Sharp 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: Donald Barger, Bob Flynn, Jay Gray, Rusty Mansel, Kevin Mele, Michael Moldenhauer, John Sharp
- Nay: None
- The motion passed.

14. Motion to Adjourn:

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

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

The meeting adjourned at approximately 9:36 pm.