
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
March 19, 2024**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, March 19, 2024, in the Board Meeting Room in Bedford Water’s Annex building located at 1723 Falling Creek Road in Bedford County.

Members Present:..... Jay Gray, Vice Chair
Donald Barger, Jr.
Rusty Mansel
Kevin Mele
Michael Moldenhauer
John Sharp

Members Absent: Bob Flynn, Chair

Staff & Counsel Present: . Brian Key – Executive Director
Rhonda English – Deputy Director
Jill Underwood – Director of Finance
Megan Pittman – Director of Administration
Thomas Cherro – Director of Operations
Jason Michaels – Human Resources Manager

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 Comments
4. Approval of Minutes: February 20, 2024 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
 - a. Financial Statements through month end February 2024
 - b. Summary of March 19, 2024 5pm Finance Committee Meeting
6. Operations Report: Presented by Thomas Cherro
7. Administration Report: Presented by Megan Pittman
 - a. Public Relations Articles
 - b. Introduction: Jason Michaels – HR Manager
 - c. **Resolution 2024-03.01** – Health Insurance
8. Deputy Director Report: Presented by Rhonda English
 - a. Project Reports
 - b. **Resolution 2024-03.02** – Helm Street Tank
9. Executive Report: Presented by Brian Key
 - a. Clay Chastain Report

- b. ARPA funding through the County
- c. Stoney Creek Reservoir Property
- d. **Resolution 2024-03.03** – County Fair Support

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: February 20, 2024 - Regular Meeting

The regular Board Meeting Minutes from February 20, 2024, were reviewed.

Member Sharp made a motion to approve the minutes.

Member Mele 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 February 2024

Customer Service has gateway antennas that have been inoperable recently throughout the service area; they have been repaired, and a new gateway was also installed making staff more efficient.

The budget goal was 67% for February, with operating revenues at 70% and operating expenses at 56%. Capital Recovery fees received this FY are 72% of the total budgeted amount, with water at 75% and sewer at 66%. The debt service payment from the County was received in March. An invoice has been sent for the ARPA funds for \$1.25 million. Audit scheduling is underway. Mr. Mele requested a copy of the corrective action plan for the single audit. Mr. Barger asked about the SML Water Treatment Facility line item, which has interest earnings higher than projected, this account is for the interest earnings on the SML WTF Depreciation Fund, which have recently been higher than anticipated.

b. Summary of March 19, 2024 5pm Finance Committee Meeting

The Finance Committee met with staff before the board meeting. Once budget requests were input, there was \$1.5 million deficit. Staff looked at the budget again and reduced costs to an approximate \$200,000 deficit; further work is needed to get the budget to balance. Revenues are projected to increase by 3.6% and expenses by 6%. This budget keeps the BRWA on track with strategic planning and capital projects, including a 4.6% health insurance increase and one new staff member. Staff looked at ways to increase revenue and proposed increasing the base rate by \$1.00 for both water and sewer base rate fees. In order to have a rate hearing in May, the Finance Committee will meet again before the next board meeting. A resolution and a high-level budget summary will be brought to the board in April. A formal presentation will be given at the May meeting, along with the rate hearing. Debt service will also drop over the next two years, which will help future budgets. In and effort to better cover the increased operating costs, the board asked for scenarios with a \$1 increase and also a \$2 increase for water and sewer base rates.

6. Operations Report: Presented by Thomas Cherro

Mr. Cherro reviewed the task report and explained that the "Other" category was expanded as requested at last month's board meeting. The CIP crew has completed the actuator valve installation at Big Ben. They are now at Galax Street installing sewer. The next focus will be Central Water's booster station upgrade and the Shady Knoll sewer

installation. Mr. Mansel stated that several valve box covers in Town appear to have come off during snow plowing this year and may need to be replaced. Preventative Maintenance investigated an odor complaint on Plunkett Street due to wastewater coming out of a storm drain; the issue is being contained and should be resolved soon. The flocculators at Central Water were installed last week. Mr. Moldenhauer explained that a customer contacted him complaining about the BRWA; Mr. Moldenhauer passed along this information, and Mr. Cherro was able to talk with him and help resolve the complaint. Mr. Moldenhauer stated that the customer is now complimentary of the BRWA!

7. Administration Report: Presented by Megan Pittman

a. Public Relations Articles

Ms. Pittman reviewed the media articles included in the packet. She also mentioned that the BRWA will have its annual Fireside Chat on Thursday of this week to share information with staff, including the strategic plan, and to answer questions submitted by staff.

b. Introduction: Jason Michaels – HR Manager

Mr. Michaels introduced himself and shared his background, education, and job history.

c. Resolution 2024-03.01 – Health Insurance

Mr. Michaels spoke about the resolution, which included the rates proposed for health insurance in the fiscal year 2024-2025. The rates proposed reflect an average increase of 4.60% in the premium for continuation of coverage. This resolution is required before April 1st to allow the BRWA to sign up for Health Insurance as an employee benefit. Mr. Mansel asked what this would cost the BRWA. Ms. Underwood stated that she would send this to Mr. Mansel and the Board.

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 19th day of March 2024, 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 2024, and included in the renewal are the proposed rates for Fiscal Year 2024-2025; 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 2024-2025; 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 1, 2024; 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 Sharp_made a motion to approve this Resolution.

Member Mele made a Second to approve.

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

8. Deputy Director Report: Presented by Rhonda English

a. Project Reports

Ms. English said that the 460 pump station project has been closed out. The Ivy Creek Project continues; the design-build team continues to work with the easement

owners for clearing. The Town and Country sewer project is complete, and the BRWA is working through a claim with the contractor.

b. Resolution 2024-03.02 – Helm Street Tank

This resolution would authorize the Contractor to proceed with the construction of the Helm Street Tank Replacement project. Due to rising costs, the final project cost exceeds the budgeted \$3.2 million.

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 19th day of March 2024, beginning at 7:00pm:

WHEREAS, the Bedford Regional Water Authority (the “Authority”) approved Resolution 2021-11.02 – Town ARPA Agreement (“Resolution”) for the ARPA Agreement dated December 1st, 2021 (“Agreement”) with the Town of Bedford (“Town”) for the allocation of \$4,500,000.00 for the sole purposes of all work related to the construction, reconstruction, and rehabilitation of water and sewer facilities as described in the Agreement, including the replacement of the Helm Street water storage tank; and,

WHEREAS, the remaining, unspent ARPA funds of \$3,418,244.23 are allocated to the scope of services and terms for the Helm Street Tank Replacement (“Project”) as defined in the Agreement; and,

WHEREAS, the Authority received a single bid from WGK Construction dated March 5th, 2024 (“Bid”) for the construction services for the Project with an initial total lump sum bid amount of \$3,885,000.00 which has been value engineered and revised to as low as \$3,360,000.00 in the WGK Value Engineering Proposal (“Proposal”) dated March 12th, 2024; and,

WHEREAS, the total cost for the Project is estimated to be \$3,850,000, to include \$218,203 for Design Services, \$98,080 in Construction Administration Services, up to \$3,400,000.00 for Construction Services and the remaining funds toward permitting, Special Inspections, other services performed outside of the Agreement, and any unforeseen contingency items; and,

WHEREAS, the Project will be funded through remaining, unspent ARPA Funds, Town Escrow funds totaling \$162,916.00, and Cash Reserves totaling \$268,839.72; and,

WHEREAS, the Authority has properly advertised to solicit bids for the Project, a copy of the bid opening list has been provided to the Board of Directors of the Authority, and the Engineering Manager is recommending award to the responsive bidder; and,

WHEREAS, the Engineering Manager will execute the Contract following the final review and approval of the Proposal options; now,

THEREFORE, BE IT RESOLVED, that the Board of Directors does hereby authorize the Engineering Manager to execute a contract with WGK Construction, with total construction contract expenditures not to exceed \$3,400,000.00 for the construction of the Project, working within a total project budget of \$3,850,000.

Member Moldenhauer made a motion to approve this Resolution.

Member Mele made a Second to approve.

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

9. Executive Report: Presented by Brian Key

a. Clay Chastain Report

Mr. Key updated the board about the lawsuit against the BRWA from Clay Chastain. There is a hearing in May. He has paid his connection fees, although he will need to run his service line to the meter before service begins.

b. ARPA funding through the County

The BRWA received \$1.25 million from the County in ARPA funds; the BRWA is thankful for these funds as they will fund the Capital Improvement Projects and help keep the rate adjustment lower. The board discussed leachate and PFAS.

c. Stoney Creek Reservoir Property

Mr. Key said he contacted the Town to discuss this issues; the meeting has been rescheduled a few times due to various participants' schedules. The meeting is still being planned so that the ownership discussions can continue.

d. **Resolution 2024-03.03** – County Fair Support

Per the discussion at the board meeting on February 20, 2024, this resolution shows the BRWA's support for the County Fair.

At a regular meeting of the Bedford Regional Water Authority ("Authority") Board of Directors ("Board"), held in the Board Meeting Room at the Authority's Administrative Annex Building on the 19th day of March 2024, beginning at 7:00pm:

WHEREAS, the 2024 County Fair ("Fair") is being planned for a weekend in August or September, with the location having been selected as the County Farm adjacent to the Authority's office on Falling Creek Road; and,

WHEREAS, it is recognized by the Board that the County of Bedford ("County") and the Town of Bedford ("Town") often partner with the Authority for projects, including the provision of significant funding for selected projects; and,

WHEREAS, the Authority would like to support the County and the Town for the benefit of the Fair; now,

THEREFORE, BE IT RESOLVED, that the Board approves of the Authority providing the following to support the Fair:

- 1) A fire hydrant meter and backflow preventer will be provided and installed on two (2) hydrants located on Parcel 147 A 40 which is the County Farm located between the Authority's office complex and the Sherriff's office complex. All piping and hoses downstream of the backflow preventer devices will be responsibility of parties other than the Authority.
- 2) The Authority will provide up to twenty thousand (20,000) gallons of water, through the hydrant meters mentioned herein, at no cost to the Fair, County, or Town.
- 3) The Authority will make the front parking lots at the Authority's office complex available for use by the Fair officials and visitors between the hours of 5:00pm on the Friday the Fair opens through 11:59pm on the Sunday the fair ends. This access is provided with the understanding that the Fair will be responsible for any damages to the Authority's property that occurs during the Fair, and that any cleanup needed on the Authority's property due to the Fair will be the responsibility of the Fair officials. Additionally, access to the Authority's rear fenced parking lot must not be blocked or obstructed at any time during the Fair.

BE IT FURTHER RESOLVED, that the Board directs the Executive Director to execute an agreement to this effect with a representative of the Fair at least two (2) weeks prior to the opening day of the Fair.

Member Mele made a motion to approve this Resolution.

Member Barger made a Second to approve.

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

10. Other Business not covered on the above agenda

Mr. Gray asked if the Personnel Committee had discussed Brian's evaluation. Mr. Moldenhauer asked Ms. Pittman to send information to the Personnel Committee to begin the process.

11. Motion to Adjourn:

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

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

The meeting adjourned at approximately 8:18 pm.

Prepared by Megan Pittman – Director of Administration
Approved: April 16, 2024