
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
April 15, 2025**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, April 15, 2025, 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.
Michael Moldenhauer
John Sharp

Members Absent:..... Kevin Mele
Steve Rush

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 (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. 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: March 18, 2025 – Regular Board Meeting
5. Financial Report:
 - a. Financial Statements through month end March 2025 - Presented by Jill Underwood
 - b. Finance Committee meeting summaries – 3/26 & 4/2 – Presented by Jill Underwood
 - c. DRAFT FY 2025-2026 Operating Budget Presentation - Presented by Jill Underwood
 - d. DRAFT FY 2025-2026 Capital Budget Presentation – Presented by Rhonda English
 - e. Resolution 2025-04.01 – Advertise Rates - Presented by Jill Underwood
6. Projects Report: Presented by Rhonda English
7. Operations Report: Presented by Thomas Cherro
8. Administration Report: Presented by Megan Pittman
9. Executive Report: Presented by Brian Key
10. Other business not covered on the above agenda

11. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically for discussions related to personnel.

12. Motion to Adjourn

3. Public Comments

There were no public comments.

4. Approval of Minutes: March 18, 2025 – Regular Board Meeting

The regular Board Meeting Minutes from March 18, 2025, were reviewed.

Member Gray made a motion to approve the minutes, with one revision to correct the date.

Member Moldenhauer seconded the motion.

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

5. Financial Report: Presented by Jill Underwood

a. Financial Statements through month end March 2025 - Presented by Jill Underwood

The Customer Service statistical report was included in the packet. The budget goal was 75% for March, with operating revenues at 78% and operating expenses for the month totaling 66%. Capital Recovery fees received this FY are 64% of the total budgeted amount; water is at 70%, and sewer is at 52%.

b. Finance Committee meeting summaries – 3/26 & 4/2 – Presented by Jill Underwood

At the March 26th meeting Mrs. Underwood summarized the 2025-2026 fiscal year budget at the meeting, stating that the original draft from managers placed the budget in a \$1.3M deficit. The Directors reviewed the draft and revised the requests, took out new position requests, and only vacancies are being filled. Rates were reviewed and adjusted to balance the budget and provide at least \$340k in CIP funding.

There was discussion about the rate model and lower revenue projections for the upcoming year than the current year. It has been several years since the model was calibrated with actual customer counts and revenue amounts; the model forecasts revenue based on a percentage of growth. Staff reviewed and recalibrated the model prior to the Committee meeting on April 2nd.

c. DRAFT FY 2025-2026 Operating Budget Presentation - Presented by Jill Underwood

The focus of the budget changes was to continue funding the replacement funds. Based on customer counts and miles of water and sewer lines, the BRWA has a lower population density per foot of pipe, thus the need for higher rates. The geographical area for BRWA is inefficient and makes it more expensive to service than its local counterparts. The committee discussed various scenarios for rate increases, including increases to base and commodity rates and a combination of both. After discussing the future capital needs, it was decided to present the following budget changes:

- \$2.00 per month increase to both water and sewer base rates for 5/8" meters
- \$0.25 per 1,000 gallons increase to both water and sewer commodity rate

This combination of a rate increase provides capital funding in the amount of \$664,498. This is a 5.5% increase for water rates and a 4.8% increase in sewer rates. Ms. Underwood reviewed the priorities for both water and sewer and the main cost increases from fiscal year 2025 to the proposed budget for fiscal year 2026. The board discussed various factors that have caused an increase in the budget.

Operating revenues are at a 5.9% increase over the current fiscal year, and operating expenses are at a 3% increase. The assumed debt from the Town and the 2005 VRA debt issuance will be paid off during FY 2026. Principal payments will also begin for Ivy Creek.

d. DRAFT FY 2025-2026 Capital Budget Presentation – Presented by Rhonda English

Ms. English reviewed the critical projects that need funding, in addition to other important projects included in the draft capital budget. These projects are replacing or fixing items that are already broken and must be replaced or projects that are essential.

She also mentioned that the Helm Street project is still underway. The team is waiting on the valve vault, which may extend the contract. The hope is that the project will be done in June or July.

e. Resolution 2025-04.01 – Advertise Rates - Presented by Jill Underwood

The board packet included the resolution and the proposed rates. There is one new fee being proposed as a project phasing fee; this is to address the considerable extra work that is performed by the Engineering team when a project is split into phases after the original approvals. Below is the language that is proposed for this fee:

Project Phasing Fee: This fee is charged for the administrative costs associated with separating a project into phases for acceptance after the project is in construction, and will be assessed per additional phase created. This fee will not be assessed for projects when phasing is established prior to plan approval.

In order for the new rates to be effective on June 1, 2025, as will be seen on all bills sent out after June 30, 2025, 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 15th day of April 2025, 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 Authority is in the process of preparing a draft budget for the Fiscal Year 2025-2026, 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 April 23, 2025 and May 7, 2025 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 20, 2025; now,

THEREFORE, BE IT RESOLVED, that the Board of Directors of the Authority does hereby authorize the Director of Finance to post notice of the changes to the rates as shown on the attached document.

On behalf of the Finance 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: 5 Aye, 0 Nay, 0 Abstain. The motion carried.

6. **Projects Report: Presented by Rhonda English**

Ms. English stated that the Turkey Mountain booster station building was set today. Ivy Creek is working on the bore pit at Cottontown Road.

7. Operations Report: Presented by Thomas Cherro

The tasks report was included in the packet. The Montvale Biowheel Phase 1 project is set to begin on Wednesday. The motor for pump one at the Smith Mountain Lake raw water intake has been delivered by the Authority to a repair shop. The rebuilt pump/motor unit is expected back to the Authority by the end of May. Manhole rehab is ongoing in Forest to help control inflow and infiltration. Central Pump Station 1 has a new automatic transfer switch that will be installed soon to get a running generator at that site.

8. Administration Report: Presented by Megan Pittman

Ms. Pittman reviewed the items included in the board packet, which included an invitation to the Earth Day event at Central Wastewater Treatment Plant on April 22nd. The Communications and HR team have also been very active in the public the past month, attending various business expos, career days, and educational days. In the first quarter of the year, the Safety team completed 140 hours of safety training; last year, during the first quarter, there were 98 hours of safety training. Ms. Pittman reported that there have been fewer injuries and vehicle incidents since increasing training over the past year.

9. Executive Report: Presented by Brian Key

Mr. Key said that he recently met with the Town Manager and they discussed the transfer of the reservoir property. The Town is going through a process to evaluate all assets and surplus property; the plan is to include the piece of land by the reservoir in this evaluation.

10. Other Business not covered on the above agenda

There was no other business discussed.

11. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically for discussions related to personnel.

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. Moldenhauer seconded the motion.

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

- The board entered into closed session at approximately 8:33 pm.

At approximately 8:59pm Member Moldenhauer moved that the board exit closed session and return to open session. Member Gray seconded the motion.

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

- Member Gray 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, Donald Barger, Michael Moldenhauer, John Sharp
 - Nay: None
 - The motion passed.

12. Motion to Adjourn:

No information was presented on the closed session discussions, and no further business was discussed; Member Gray made a motion to adjourn and Member Sharp seconded the motion.

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

The meeting adjourned at approximately 9:01pm.

Prepared by Megan Pittman – Director of Administration

Approved: May 20, 2025