
**Bedford Regional Water Authority – Board of Directors
Regular Board Meeting – Minutes
May 20, 2025**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, May 20, 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.
Kevin Mele
Michael Moldenhauer
Steve Rush
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 (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 Hearing for Rate Adjustments
 - a. Open Public Hearing
 - b. Presentation about Rates: Presented by Jill Underwood
 - c. Public Comments about Rates
 - d. Close Public Hearing
4. Action Item Following Rate Hearing
 - a. Resolution 2025-05.01: Rate Policy 2.00
 - b. Resolution 2025-05.02: Rate Information Policy 2.01
5. Public Comments for all issues other than the public hearing
6. Approval of Minutes: April 15, 2025 – Regular Board Meeting
7. Financial Report: Presented by Jill Underwood
 - a. Financial Statements through month end April 2025
 - b. Resolution 2025-05.03: FY 2025-2026 Operating Budget
 - c. Resolution 2025-05.04: FY 2025-2026 Capital Improvement Projects
8. Operations Report: Presented by Tom Cherro

9. Administration Report: Presented by Megan Pittman
10. Engineering Report: Presented by Rhonda English
 - a. Project Reports
 - b. Resolution 2025-05.05: Engineering Term Contract Extension Agreements
11. Executive Report: Presented by Brian Key
12. Other business not covered on the above agenda
13. Motion to Adjourn

3. Public Hearing for Rate Adjustments

a. Open Public Hearing

The public hearing opened at 7:01 pm.

b. Presentation about Rates: Presented by Jill Underwood

Ms. Underwood gave a presentation about the rates. The proposed rate increase is \$2.00 for water base charges, \$2.00 for sewer base charges, and a \$0.25 commodity increase for each. This is about a \$6.00 increase for average users receiving both water and sewer services. The estimated bill for water per month is \$58, and sewer is \$66. There are 3 systems (Cedar Rock sewer, Mariners Landing sewer and Paradise Point water) with special base rates based on their expenses; therefore their monthly base rates are different.

For every \$1.00 the water base fee is increased, there is an additional \$186,000 in revenue; for every \$1.00 the sewer base fee is increased, there is an additional \$100,000 in revenue. An analysis for sewer replacements needed over the next ten years in the Central service area showed that it would cost \$62.6 million to replace the sewer lines. All other service area sewer lines would cost \$18.7 to replace. This shows the need for higher rates to fund capital projects in the coming years, as current funding is not even close to funding the replacements needed.

c. Public Comments about Rates

Nancy Leighton from the Town of Bedford spoke about the increase in rates across all utilities and that some citizens are not able to keep up with the costs.

d. Close Public Hearing

The public hearing closed at 7:17 pm.

4. Action Item Following Rate Hearing

a. Resolution 2025-05.01: Rate Policy 2.00

This resolution is necessary to adopt the rates and support the FY 2026 operating budget, which was presented and approved later in the agenda. This also includes an additional project phasing fee.

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 20th day of May 2025, 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 2025-2026 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 April 23, 2025 and May 7, 2025 and conducted a public hearing on Tuesday, May 20, 2025 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, 2025 and for all bills sent out after June 30, 2025.

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: 6 Aye 1 Nay 0 Abstain. The motion carried.

b. Resolution 2025-05.02: Rate Information Policy 2.01

With the approval of Resolution 2025-05.01 for the rates, modifications are required to the 2.01 Rate Information policy.

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 20th day of May 2025, 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 Policy 2.00 with Resolution 2025-05.01, changes are needed to the Rate Information Policy 2.01; and,

WHEREAS, there is considerable extra work that is performed by the Engineering team when a project is split into phases after the original approvals; therefore, a Project Phasing Fee has been added; 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.

Member Mele 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.

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

Nancy Leighton said she was a member of Next Door, and there have been complaints about the pressure on North Street.

Mr. Sharp asked if it would be beneficial to sit down with General Assembly members to see if there is potential funding to help water and sewer utilities. The board discussed different strategies to increase funds for replacing the infrastructure.

6. Approval of Minutes: April 15, 2025 - Regular Meeting

The regular Board Meeting Minutes from April 15, 2025, 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.

7. Financial Report: Presented by Jill Underwood

a. Financial Statements through month end April 2025

The Customer Service statistical report was included in the packet. The budget goal was 83% for April, with operating revenues at 87% and operating expenses for the month totaling 75%. Capital Recovery fees received this FY are 71% of the total budgeted amount; water is at 78%, and sewer is at 58%. The BRWA received the Town and County's contribution towards the upgrades to Pump Stations 1 and 2. The preliminary audit has begun, and this is earlier than ever in the past. This is largely due to the addition of the Finance Manager.

b. Resolution 2025-05.03: FY 2025-2026 Operating Budget

The Finance Committee reviewed the operating budget at their meetings on March 26, 2025, and April 2, 2025. The draft budget was presented to the Board at the April 15, 2025, regular board meeting. The proposed budget for FY 2025-2026 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 20th day of May 2025, beginning at 7:00 p.m.:

WHEREAS, the Board of Directors of the Authority has been presented with the FY 2025-2026 Budget, with a summary indicating Total Revenues in the amount of \$21,359,733 and Cash Operating Expenses in the amount of \$18,563,235 and Total Expenditures (including depreciation) in the amount of \$23,150,835 (the "Operating Budget Summary"); and,

WHEREAS, in support of the Operating Budget Summary, a Detailed Report of Revenues and Expenditures for FY 2025-2026 (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 2025-2026 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 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: 7 Aye, 0 Nay, 0 Abstain. The motion carried.

c. Resolution 2025-05.04: FY 2025-2026 Capital Improvement Projects

The Finance Committee reviewed the FY 2025-2026 CIP Budget, which includes both internal purchases and projects at its meeting held on April 2, 2025. The CIP list was presented to the board at the April 15, 2025 regular Board meeting.

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 20th day of May 2025, beginning at 7:00 p.m.:

WHEREAS, the Board of Directors of the Bedford Regional Water Authority approved the Fiscal Year 2025-2026 Operating Budget ("Operating Budget") with resolution 2025-05.03, with Total Revenues in the amount of \$21,359,733 and Cash Operating Expenses in the amount of \$18,563,235; and,

WHEREAS, the total operating coverage minus replacement capital as of July 1, 2025 is projected to be \$ 664,498; 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,

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.

8. Operations Report: Presented by Thomas Cherro

The Shady Knoll sewer project has 800 linear feet of sewer lines in the ground and four manholes installed; it is a slow-moving project due to the wet weather delays. The automatic transfer switch at Pump Station 1 has been replaced. The generator is also back online, and the third pump has been installed, so the station is now running as it should be. Pump Station 2 is waiting for the pumps to be rebuilt for that project to be completed. Mr. Gray has asked that staff follow up with partners and let them know when we have completed projects they have contributed to.

Granulated carbon filters are currently being utilized during the warmer months at the Smith Mountain Lake Water Treatment Plant; the filters need to be capable of being inservice throughout the year. A new building will be constructed over the filters to protect them from freezing in the winter. This project is already funded in the budget, and the costs are being split with Western Virginia Water Authority.

9. Administration Report: Presented by Megan Pittman

Ms. Pittman reported on the successful Earth Day event in April, where there was a good turnout of elected officials and excellent press coverage afterward. The Communications team is already looking ahead to future events, including a ribbon cutting at the Helms Street tank, and possible participation in community events and the schools in the fall.

The BRWA's second annual event will be held on Thursday at Liberty Lake Park. This is always a great cultural event for the BRWA and brings a big morale boost. This is also something that is helpful in retaining and attracting staff.

10. Engineering Report: Presented by Rhonda English

a. Project Reports

The Helm Street Tank project is continuing and should be completed by midsummer. The Ivy Creek Project has been slow due to rain, but has begun excavation for the Cottontown Road boring pit. The change order has been received for this project, with November 26th, 2025 as the substantial completion date. The booster station at the Central Water Treatment Plant continues to progress, with electrical work currently underway. The department is still looking to hire a new Utility Locator.

Ms. English shared that the largest impact the BRWA has seen from a tariff charge is \$21,000 for the membranes at Smith Mountain Lake Water Treatment Facility. Other businesses have also said that there will be pricing increases related to either tariffs or inflation.

b. Resolution 2025-05.05: Engineering Term Contract Extension Agreements

The Authority has term agreements with seven engineering firms; the agreements are for 1-year terms, renewable 4 times. The agreements are up for their last renewal, and the above-referenced resolution would enable the Authority to continue to contract with these seven firms.

Included in the packet is an example 'Extension of Agreement for Engineering Services under a Term Contract' which would be executed with the firms AH Environmental, Blue Ridge Engineering & Construction Services, CHA, Engineering Concepts, Hurt & Proffitt, Wiley|Wilson, and WRA. As most consultant rate schedules are confidential, these can be made available for review separately if so requested.

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 20th of May 2025, beginning at 7:00pm

WHEREAS, the Agreements for Engineering Services dated May 19, 2021 allow for the extension of up to four one-year terms; the current Agreements for Engineering Services for AH Environmental Consultants, Inc., Blue Ridge Engineering & Construction Services, LLC, CHA Consulting, Inc., Engineering Concepts, Inc., Hurt & Proffitt, Inc., Wiley|Wilson, and Whitman, Requardt & Associates, Inc. expired on May 18, 2025; and,

WHEREAS, the Engineering department has prepared Extensions of Agreements for Engineering Services for AH Environmental Consultants, Inc., Blue Ridge Engineering & Construction Services, LLC, CHA Consulting, Inc., Engineering Concepts, Inc., Hurt & Proffitt, Inc., Wiley|Wilson, and Whitman, Requardt & Associates, Inc. to extend services until May 18, 2026; and,

WHEREAS, the Term Contracts for Engineering Services must be extended to allow for continued services with the Engineering Consultants to complete select projects for the Authority's Capital Improvement Program and provide consultant assistance to the Engineering Department; now,

THEREFORE, BE IT RESOLVED, that the Bedford Regional Water Authority Board of Directors authorize the Director of Engineering to execute the necessary agreements to extend the contracts with AH Environmental Consultants, Inc., Blue Ridge Engineering & Construction Services, LLC, CHA Consulting, Inc., Engineering Concepts, Inc., Hurt & Proffitt, Inc., Wiley|Wilson, and Whitman, Requardt & Associates, Inc. for one additional term.

Member Rush made a motion to approve this Resolution.

Member Gray made a Second to approve.

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

11. Executive Report: Presented by Brian Key

Mr. Key said that he has been working with the Town about the property around the Stoney Creek Reservoir. He has drafted a letter stating that the BRWA believes they already own the land, based on the documentation at reversion, and need confirmation from the Town Council. The board discussed the details of the land and supported Mr. Key in sending the letter.

12. Other Business not covered on the above agenda

Mr. Flynn thanked the staff for their work on the budget over the past few months. The result is a responsible budget.

13. Motion to Adjourn:

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

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

The meeting adjourned at approximately 8:11 pm.