

FISCAL  
YEAR  
2026

# **ADOPTED ANNUAL OPERATING AND CAPITAL IMPROVEMENT BUDGET**

July 1, 2025- June 30, 2026



Bedford  
Regional  
Water Authority



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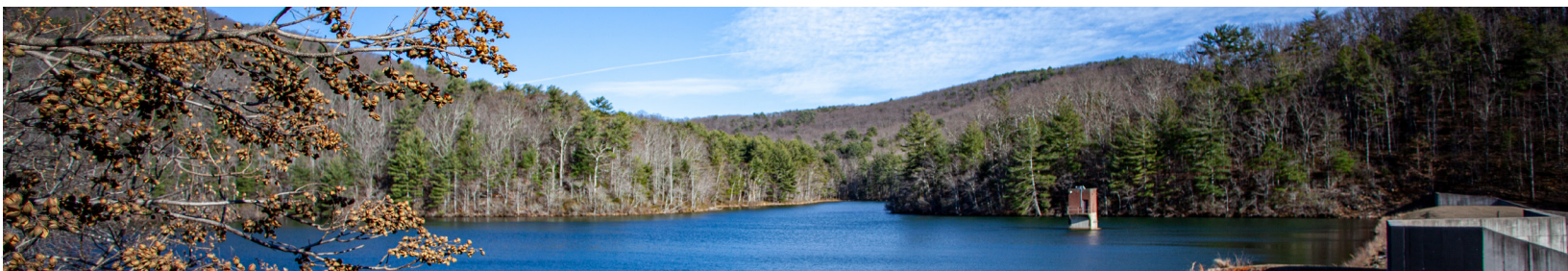
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August 5, 2025

Dear Board Members:

The Bedford Regional Water Authority (BRWA) mission "To provide high quality water and waste-water services to the community" is reflected throughout the following budget document. The proposed Fiscal Year 2026 Budget totals \$ 21,359,733 in revenues and \$19,225,235 in operating expenses, debt service and capital improvement projects and reflects this commitment.

The BRWA follows an annual budget process that aligns its strategic plan and long-term capital improvement programs. In preparing its annual budget, the BRWA bases its revenue and expenditure projections on historic performance, while also taking into consideration operational needs, current trends, events and developments in regulatory, local markets, building developments, and environmental activities.

The recommended budget for the next fiscal year reflects long-term planning and rate setting for the organization. We recognize that capital projects, strategic priorities, and service delivery are not limited to a single year but instead are long-term and multi-year initiatives that require planning and ongoing investment and commitment. The BRWA completed a rate equalization process in FY 2024, as result of the consolidation in 2013 between the City of Bedford water and sewer departments and the former Public Service Authority; however, the rate equalization model did not take into consideration higher than expected periods of inflation and economic price fluctuations. In FY2025, rates were increased to address these higher costs. As part of the FY2026 budget process, we utilized the asset management system to develop replacement costs of the system. At this time, only the gravity sewer infrastructure replacement costs are known, totaling \$369 million. In FY2026, work in the asset management system to determine the replacement costs for force main sewer and water infrastructure.

The 2024-2028 Strategic Plan celebrates the BRWA's 10th anniversary and past accomplishments and recognizes what must be accomplished in the future. In order to make this strategic plan comprehensive and inclusive, the BRWA sought input from a variety of stakeholders. To gather relevant input from stakeholders, we invited our customers to complete a survey, organized a roundtable meeting with both elected and appointed officials, and solicited input from all BRWA employees.

We engaged a consultant to ensure that we did everything possible to guarantee that communications during the development process of the plan were open, transparent, and easily accessible to the public. The result is a well-developed plan that provides the structure necessary to make informed decisions, determine strategic goals, develop actions needed to meet the established mission and vision statements, identify opportunities for improvement and enhance the skills and talents that already make the BRWA exceptional.



Planning Pipelines established in the plan include:

- **Infrastructure**
- **Community**
- **Workforce**

Over the past 10 years, the BRWA has contributed \$66 Million towards the investment in capital assets. This contribution includes debt and cash funded projects, as well as infrastructure built by developers and dedicated to the BRWA. The largest project during this time period, was a water treatment facility at Smith Mountain Lake, along with waterlines to create a redundant source of water for the Town of Bedford, as well as interconnectivity.

During the FY 2026 budget process, priorities were established for the water and sewer systems. For the water system, those priorities include identifying lead service lines, identifying operational efficiencies, service continuity and water line replacements. Priorities for the sewer system include inflow and infiltration issues, aging facilities and sewer line replacements.

In Fiscal Year 2025, the BRWA had an approved budget of \$ 1.7 Million for Capital Improvement Projects (CIP), including \$1.25Million in ARPA funding. The amount available for CIP for FY2026 is lower due to higher debt service that will be paid off during the year, the approved FY 2026 CIP budget is \$662,000. Construction is nearing completion on a major sewer project in the Forest service area, totaling \$14.6M that was funded through the Virginia Clean Water Revolving Loan Fund.

Water and wastewater treatment are essential services that protect public health and the environment. However, they also come with significant costs that affect you, the customer. As a residential customer using 4,000 gallons of water per month, you will see a monthly increase of \$3.00 for water and a monthly increase of \$3.00 for sewer (not all customers have sewer service). This increase supports initiatives to ensure and improve reliability and quality.

The BRWA ensures that our customers are well served and that rate increases that we must pass along to our customers are reasonable, fair and adhere to strategic priorities.

# BRWA WATER AND SEWER MONTHLY USER RATES

Existing Customer Fees	Water		Sewer	
	FY 2025	FY 2026	FY 2025	FY 2026
<b>B. Volume Charges (per 1000 gallons)</b>				
Residential and Commercial	\$6.50	\$6.75	\$8.50	\$8.75
Industrial	\$5.75	\$6.00	\$7.75	\$8.00
<b>B. Base Charges (per Month) Based on meter size</b>				
5/8"	\$29.00	\$31.00	\$29.00	\$31.00
3/4"	\$41.00	\$44.00	\$41.00	\$44.00
1"	\$67.00	\$72.00	\$67.00	\$72.00
1-1/2"	\$116.00	\$124.00	\$116.00	\$124.00
2"	\$186.00	\$199.00	\$186.00	\$199.00
3"	\$348.00	\$372.00	\$348.00	\$372.00
4"	\$580.00	\$620.00	\$580.00	\$620.00
6"	\$1,160.00	\$1,240.00	\$1,160.00	\$1,240.00
8"	\$1,885.00	\$2,015.00	\$1,885.00	\$2,015.00
10"	\$3,190.00	\$3,410.00	\$3,190.00	\$3,410.00
<b>B. Base Charges for Special Service Areas (per Month) Based on Meter</b>				
Cedar Rock 5/8"	\$29.00	\$31.00	\$72.00	\$74.00
Paradise Point 5/8"	\$41.00	\$43.00	n/a	n/a
Mariners Landing 5/8"	\$29.00	\$31.00	\$37.00	\$39.00
Mariners Landing 1"	\$67.00	\$72.00	\$85.00	\$90.00

Customers are charged for their water and/or sewer flow volume depending upon the classification of each user and based upon each gallon of their metered water flow. Classifications of customers include: residential and commercial, industrial and bulk fill accounts. All active accounts are charged a base charge for each service (i.e. water, sewer, and irrigation) provided. This charge is to cover the routine administrative and overhead costs associated with providing water and/or sewer service and is not related to the volume of water or sewer service provided. Base charges for meters ranging in size from 5/8" to 10" align with the American Water Works Association (AWWA) standard meter size equivalents. These charges incorporate the Equivalent Residential Connection (ERC) calculation and provides a consistent basis application of the service charge.

On July 1, 2013 the Bedford Regional Water Authority (BRWA) was formed from the former utility department of the Town of Bedford and the Bedford County Public Service Authority. The BRWA now offers a larger regional approach to meeting the communities' water and wastewater needs.

As part of this consolidation the BRWA entered into a ten-year equalization process. The BRWA did not increase rates in FY 2021 due to the pandemic. This budget, beginning July 1, 2025, includes increases to ensure strategic investments continue throughout the BRWA's service area.



# HISTORY OF BRWA RATE INCREASES

We are pleased to present BRWA's Operating and Capital Improvement Program for Fiscal Year 2026 (July 1, 2024 to June 30, 2026). The FY 2026 budget continues to address aging infrastructure, strategic initiatives and service continuity.

The BRWA Fiscal Year 2026 Operating Expenses total \$14,290,657, as compared to \$13,844,018 for the FY 2025 budget year. This represents an increase of \$446,639 or 3% over the previous year.

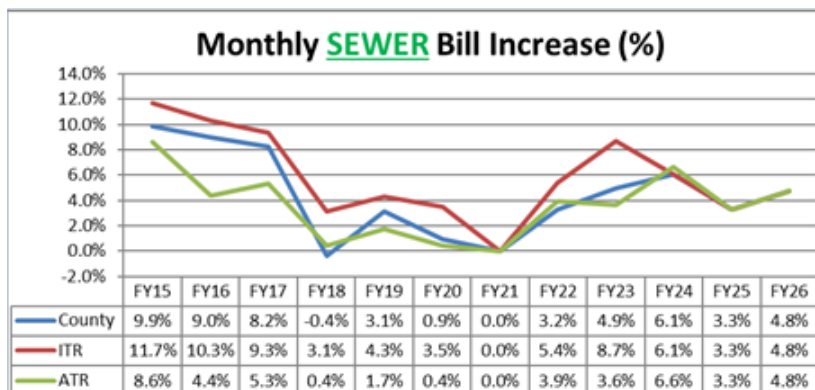
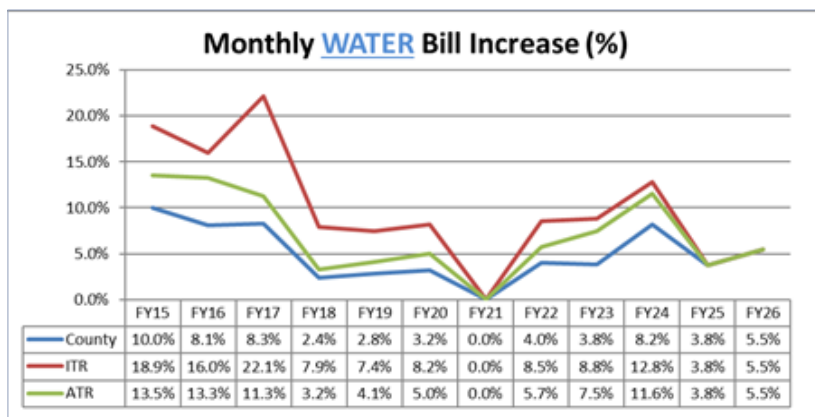
We would like to express our sincere gratitude to the BRWA Leadership team for their valuable contributions to the FY 2026 budget process. Their efforts, along with the those from other departments ensure that we continue to provide quality service to everyone.

We appreciate your understanding and cooperation as we work together to provide high quality water and wastewater to the Bedford Community. If you have any questions or concerns about this budget or our initiatives, please contact us at 540.586.7679 or through the "Contact Us" section of our website at [www.brwa.com](http://www.brwa.com). Thank you for being a valued customer.

Sincerely,

*Jill Underwood*

Jill Underwood  
Director of Finance



### **HISTORY:**

BRWA began operations in July 2013 as a result of the merger of the City of Bedford Water and Sewer Department and the Bedford County Public Service Authority. The BRWA serves the needs of water and wastewater customers in both the Town of Bedford and Bedford County. Some communities served by the BRWA include Boonsboro, Forest, New London, Montvale, Stewartsville, and communities surrounding Smith Mountain Lake.

BRWA serves approximately 15,000 customers in different geographical areas. Each community has a different percentage of customers served. Currently, 60 % of our customers are located in the Forest area, 25% in the Town of Bedford, 14% from communities near Smith Mountain Lake and 1% from the Stewartsville area.

### **EMPLOYEES:**

Over 80 dedicated employees work within 9 different operating departments within the BRWA: Administration (including Information Systems, Human Resources and Safety), Customer Service, Engineering, Finance, Maintenance and Operations (water and wastewater).

### **DRINKING WATER QUALITY:**

Having successful partnerships with both Lynchburg Water Resources and the Western Virginia Water Authority (WVWA), the BRWA is capable of providing water to residents and businesses over a vast area. These relationships provide access to millions of gallons of treated drinking water to be distributed over a large geographical area. In conjunction with these partners, the BRWA utilizes five surface water sources and multiple wells to provide drinking water throughout the service area. Having such an abundant supply of water bolsters the community's defense against drought and other emergencies, thus protecting both public health and the environment. Additional testing information can be found in our annual drinking water quality report at [www.brwa.com](http://www.brwa.com).

### **AGE OF PIPES:**

The BRWA has a variety of ages, types and conditions of pipes and facilities.

### **WATER DISTRIBUTION SYSTEM:**

BRWA delivers water through 404 miles of waterlines, 3 water pumping stations and 15 water storage tanks and 5 water treatment plants.

### **SEWER COLLECTION SYSTEM:**

Over 161 miles of sewer line, 32 sewer pumping stations, and 5 wastewater treatment plants comprise the BRWA sewer collection systems for businesses and residences in the service area.



## **FINANCIAL PERFORMANCE:**

The BRWA's financial performance remains strong and sustainable. Through utilization of various funding methods, including its replacement reserve accounts the BRWA is able to fund capital projects.

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the BRWA for its annual financial report for the fiscal year ended June 30, 2024. This was the tenth year that the BRWA has received this prestigious award; its predecessor, the Bedford County Public Service Authority, received this award for eighteen consecutive years. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles (GAAP) and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only.

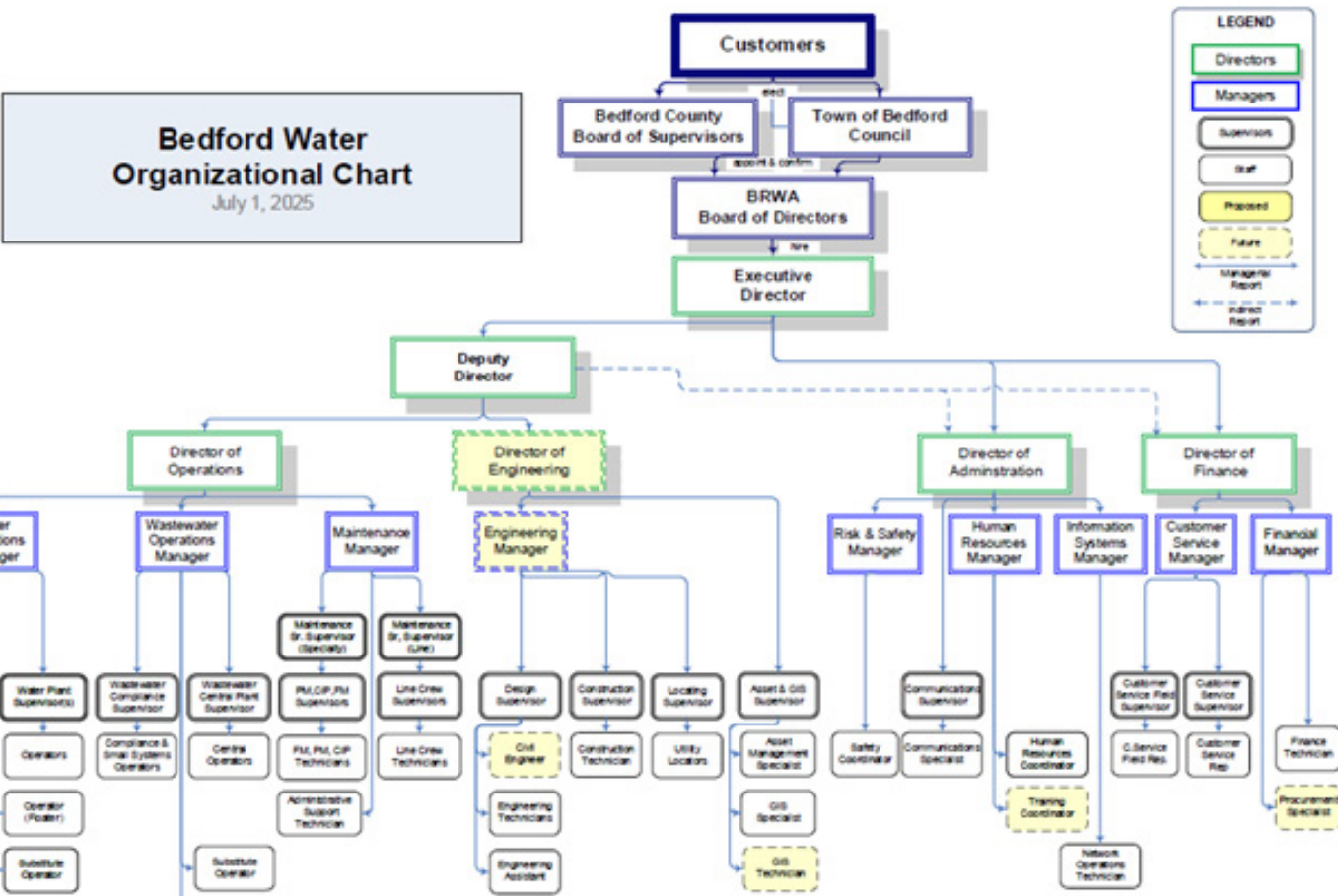
This is the first year that the BRWA has submitted its budget for consideration in the Government Finance Officers Association of the United States and Canada (GFOA) Distinguished Budget Presentation Award program.

## **CUSTOMER SERVICE:**

BRWA communicated valuable customer related information through bill inserts, the annual water quality report, the website [www.brwa.com](http://www.brwa.com), Facebook and Instagram. An after-hours emergency phone system routes calls to alert staff of emergencies or other matters that require immediate attention. We can be contacted at 540.586.7679, option 4 or through the "Contact Us" page on our website.

## **GOVERNANCE:**

The BRWA operates on a Board-administrator form of government. The Board consists of a Chair and six other Board members. Members are appointed by the Bedford County Board of Supervisors and the Bedford Town Council, based upon the proportionate representation of the localities according to the total number of equivalent residential connections (ERCs), for both water and sewer in each jurisdiction, based on an equivalent rate calculation of two hundred gallons per day per connection. In no event shall either Bedford County or the Town of Bedford appoint and have fewer than two (2) members of the Board of Directors of the BRWA. There are three standing committees comprised of two board members each; they include the Policies and Projects Committee, the Finance Committee and the Personnel Committee. Regular meetings of the BRWA Board of Directors are held on the third Tuesday of every month at the BRWA's office, with special meetings scheduled as needed.





STRATEGIC GOALS AND STRATEGIES:

The 2024-2028 Strategic Plan celebrates the BRWA’s 10th anniversary and past accomplishments and recognizes what must be accomplished in the future. In order to make this strategic plan comprehensive and inclusive, the BRWA sought input from a variety of stakeholders. To gather relevant input from stakeholders, we invited our customers to complete a survey, organized a roundtable meeting with both elected and appointed officials, and solicited input from all BRWA employees.

We engaged a consultant to ensure that we did everything possible to guarantee that communications during the development process of the plan were open, transparent, and easily accessible to the public. The result is a well-developed plan that provides the structure necessary to make informed decisions, determine strategic goals, develop actions needed to meet the established mission and vision statements, identify opportunities for improvement and enhance the skills and talents that already make the BRWA exceptional.

<b>VISION</b> 	<b>MISSION</b> 	<b>VALUES</b> 
Clean Water. Healthy Environment. Thriving Community.	To provide high quality water and wastewater services to the community.	<ul style="list-style-type: none"><li>• Collaboration</li><li>• Adaptability</li><li>• Results</li><li>• Enthusiasm</li></ul>

According to the data collected from our surveys, roundtables and employee input, our stakeholders agree - water is the most valuable resource to our economy, to our health and to our sense of community.

We built a strategic plan to define how we intend to achieve our vision for the future and to identify the goals and objectives we believe are necessary to ensure that we meet the water and sewage needs of the communities we serve.

To do that, we must understand the people of the communities that we serve, their needs and wishes, and all elements- internal and external- that support or challenge our progress. Those questions are best answered directly from the people about and for whom this plan was written: our customers, staff, and the broader community of partners and future customers. A successful plan is one where all stakeholders not only understand, but work with us to ensure its completion.

To that end, we:

- Built understanding** through surveys, focus groups and roundtables;
- Built alignment** through common creation of vision, mission, and values;
- Built direction** by bringing our vision to life and creating measurable goals;
- Built action** through thoughtful, immersive, and milestone driven plans, and;
- Built support** by integrating the plan elements into the budget and sharing with stakeholders.

According to the data collected from our surveys, roundtables, and employee input, our stakeholders agree- water is the most valuable resource:

- to our economy;
- to our health; and
- to our sense of community.

This plan is designed to support community and economic growth by preserving and conserving a safe and adequate water supply, including the infrastructure necessary to distribute this valuable resource.

We care for our community by caring for its water resources. That includes ensuring the very best quality in water and wastewater treatment. We are committed to providing excellent care of water resources, ensuring we never let up on our commitment to zero pollutants. Ensuring this resource remains available and viable for future generations requires deliberate planning and intentional support from our community.



## PLANNING PIPELINES

### Infrastructure

Infrastructure refers to resources that support the basic operations of our organization, providing essential support to our care of Bedford's water and the people who rely on it. Infrastructure is often unseen and, as such, is at risk of receiving inadequate attention. The two essential areas of infrastructure focus for the plan are the water piping system and technology resources, two powerful levers in ensuring optimal safety, productivity, and quality of care.

**Pipe systems** - there is an urgent need to replace outdated pipes. Traditional funding methods cannot accomplish this alone. In addition to impacting customers, this funding gap has implications for our region's economic development. Therefore, several entities must cooperate and collaborate with the BRWA. The importance of this issue is widely acknowledged, but the challenges of establishing and implementing a plan require a dedicated team of stakeholders. Establishing a team of stakeholders to support BRWA as it addresses challenges and implements plans for current and future endeavors. This workgroup will address project funding and financing options for current and future projects.

**Technology** - BRWA has the hardware to support its work in the field and in the office. However, fully accessing, utilizing, and integrating data across departments is challenging. The goal is to leverage technology to automate processes, increase data access, and strengthen data integration across departments.



## Community

Water is a human endeavor. When we care for it well. We have confidence in the quality and safety of our water and enjoy it as part of a thriving community. To that end, we recognize that our relationship with the people we serve is essential to our work. Connecting more meaningfully with our community-including our partners, neighbors, customers, future employees, and the general public- will ensure a broader understanding, respect, and care of our water resources.

The community, specifically customers, rate their experience with the BRWA positively. Partnering with our community to care for water resources can enhance this relationship. Public interest and the lack of awareness concerning water and water resources are obstacles. This can be accomplished through educating and engaging community members about the conservation, preservation, and use of Bedford's water resources.

## Workforce

Our staff dedicate their days and nights to caring for our water resources, customers, and community. Just as we must ensure modernized piping and technology infrastructure, we must ensure that our workforce is organized and built for current and future needs and aligned within our strategic plan. We will focus on recruitment, retention, training and licensing, and employee engagement. These efforts will have a powerful impact on our culture, which is the basis for quality, productivity, and adaptability.

BRWA takes pride in its employees' engagement and dedication. Contributing to the environment and community gives employees a sense of belonging. However, current needs exceed resources for staffing and training. While collaboration and communication have improved, opportunities exist to fine-tune a culture of connection between departments to ensure a seamless customer experience. To accomplish this, BRWA will align staffing with the future needs of the communities served by BRWA and provide adequate training to ensure sustainable employee recruitment and retention.

One of the most significant insights the BRWA gained while developing the strategic plan was that we are building this plan from a place of great strength. One substantial and recurring theme gleaned from administering surveys, organizing focus groups, and attending roundtables was that we do what we set out to do daily; provide quality service to everyone. Fortunately, we have already built strong relationships among our staff and community. These relationships have helped us craft a plan about making something new, pushing ourselves further, and creatively adapting to local needs. The plan is not about significant shifts in direction, instead it is about building upon our current strengths.

Additional information related to the strategic plan can be found on our website at [www.brwa.com](http://www.brwa.com).

## Fund Structure

The BRWA operates and reports as a single enterprise fund, meaning that all departments are included in a single accounting and reporting entity. An enterprise fund is a proprietary fund type used to account for operations that are financed and operated in a manner similar to private business enterprises. The BRWA's intent is that the costs of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges. Costs related to the expansion of system capacity should be funded with new and or future customers who cause the need for such additional capacity through capital recovery fees and connection fees, thus "growth pays for growth".

## Basis of Accounting and Budgeting

The BRWA follows the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. The BRWA distinguishes operating revenues from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with the BRWA's principal ongoing operations. The principal operating revenues of the BRWA are charges to customers for sales and services. Operating expenses include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses. When both restricted and unrestricted resources are available for use, it is the BRWA's policy to use restricted resources first, then unrestricted resources as they are needed.

The BRWA's annual budget is based on the accrual basis of accounting. Both the basis of accounting and the basis of budgeting are on an accrual basis of accounting, which recognizes revenues when earned and expenses when incurred.

## Financial Policies

The BRWA has developed and adopted Comprehensive Financial Management Policies, as part of its Operating Policy Manual. A financial management policy that is adopted, adhered to, and regularly reviewed is recognized as the foundation of sound financial management. An effective financial management policy should:

- Contribute significantly to the BRWA's ability to prepare for and insulate itself from financial crisis by being able to better manage stressful financial internal and external events.
- Promote long-term financial stability by establishing clear and consistent guidelines.
- Direct attention to the total financial picture of the BRWA rather than a single-issue area.

The adopted policies specifically related to the budget process are as follows:

## **Operating Budget Policies**

- The BRWA will budget for all current operating expenditures to be paid for with operating revenues.
- The BRWA will maintain operating reserves, to help maintain the operations and maintenance functions that would otherwise have to be deferred, require debt issuance, or require rate increases.
- BRWA staff should, not only during the preparation of the budget but in budget execution, use due care and promote cost savings and operating efficiencies at all times especially during periods of revenue shortfall.
- In preparing its annual budget, the BRWA will base its revenue and expenditure projections on historic performance, while also taking into consideration operational needs, current trends, events, and developments in regulatory, local markets, building developments and environmental activities.
- Capital recovery charges will not be regularly used to finance continuing BRWA operations, but instead will be used for funding expansion and replacement of system infrastructure or adding to BRWA reserves.

## **Capital Budget Policies**

- The BRWA will prepare and update annually for adoption a Capital Improvement Plan (CIP) that is developed for a ten-year planning period.
- The first year of the five-year CIP planning period will be the most current capital budget for the BRWA.
- The BRWA will maintain all assets at a level adequate to protect the BRWA's capital investment, meet permitted regulatory requirements, and to minimize future maintenance and replacement costs.

## **Reserve Policies**

The BRWA has implemented best management practices for the control of its financial accounts; this includes that reserves be accumulated to provide for contingencies and planned/unplanned major expenses. The reserves, when combined with unrestricted cash and investments, are to maintain a Days Cash on Hand floor of 180 days. The BRWA has established various types of reserves for its systems:

- Capital Reserve Account - The Board has required that the BRWA maintain a capital reserve account to be prepared in the event of a major unplanned expense, such as a catastrophic failure of one or more critical asset(s).
- Economic Development Account - to support the County and the Town of Bedford with Economic Development Projects. This can include partnering with the County and/or Town to share the cost of providing water and/or sewer service for the purpose of attracting and retaining businesses in the County and/or Town. The Board of Directors must approve the use of funds from this account, on a case-by-case basis. The primary source of funding for this account is from the BRWA's portion of the co-location leases from cellular and broadband providers on the water storage tanks.



- Replacement Reserve Accounts - accounts have been established for various asset replacements, including: Vehicles and equipment, Information and Operational Equipment, Meters, Water and sewer line replacements, Tank Rehabilitation, and Water and Sewer Facilities (plants and pump stations).

## **Revenue and Expenditure Policies**

- A diversified and stable revenue system will be maintained to shelter services from short-term fluctuations.
- Rate studies are to be conducted to ensure that all rates will continue to support direct and indirect costs of operations, administration, maintenance, debt service, depreciation/amortization of capital assets, and system development. These studies are to be performed formally on a periodic basis by an outside firm that specializes in utility rates. Annually, staff will analyze projections by the consultant and adjust as necessary during the budgetary and rate process.
- The BRWA shall develop and maintain a comprehensive list of various fees and charges. Fees will be set at levels sufficient to cover the entire cost of service.
- The BRWA's operating expenditures are to be funded with on-going revenues to the extent possible.

## **Debt Policy**

- The BRWA will utilize a balanced approach to capital funding utilizing debt financing, CIP planned current- year revenues (pay-as-you-go), and planned capital reserve fund transfers from BRWA reserves.
- The BRWA will analyze all sources of debt financing when it has been determined that there is a need for debt.
- When the BRWA finances capital improvements or other projects by issuing bonds or entering into capital leases, it will repay the debt within a period not to exceed the expected average useful life of the project(s) being financed.
- When assessing capital project funding approaches and the issuance of debt, the BRWA will conduct a series of financial analyses to demonstrate its financial ability to incur such debt under its current rate structure, and to determine if, when and to what degree rate structures need to be adjusted in the event that the current rate structure is not able to accommodate new additional debt.
- The BRWA will review its current debt structure periodically as interest rates fluctuate and optional bond redemption rates arise for refunding opportunities.
- The BRWA will remain in compliance with all debt covenants as they are provided. The BRWA shall maintain net revenues, such that they are equal to 1.25x of annual debt service.

## **Budget Process**

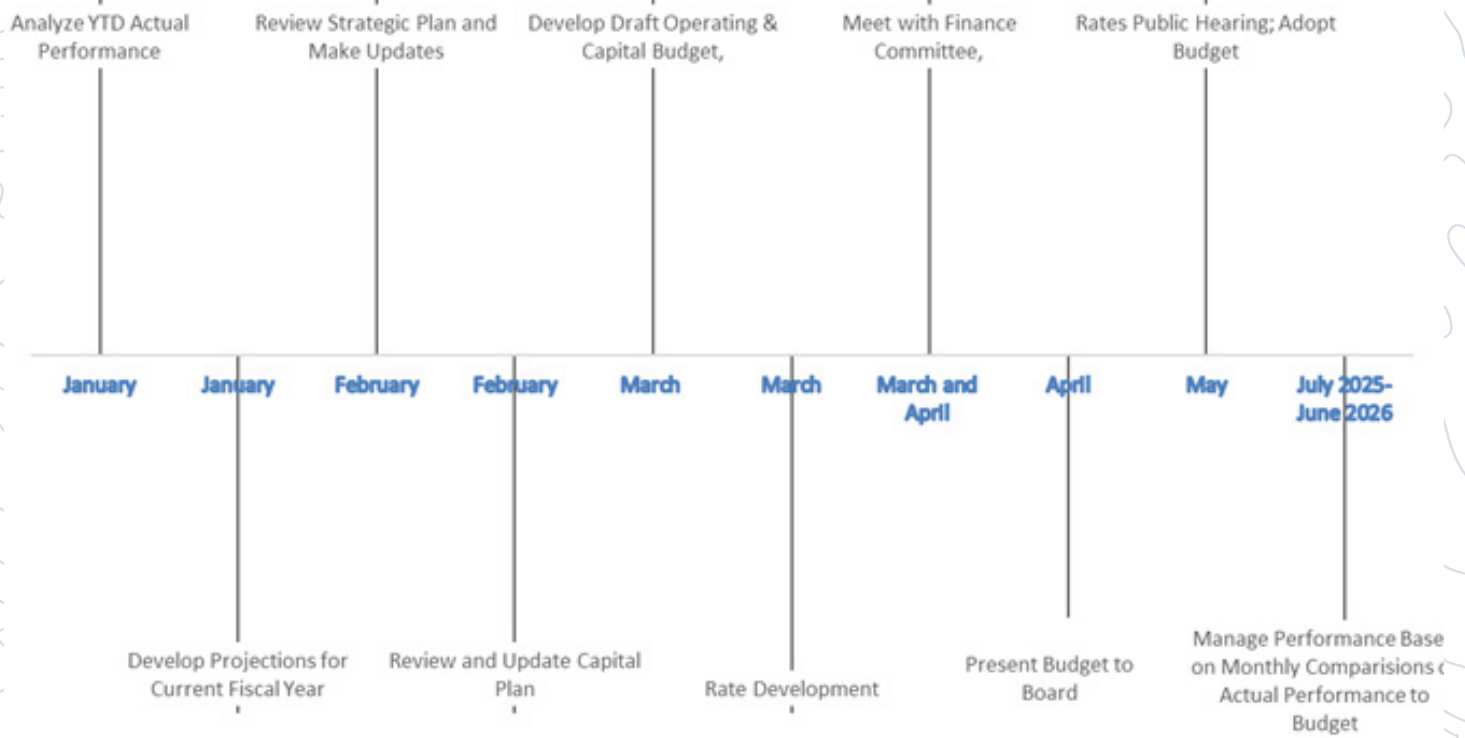
The BRWA must adopt its budget prior to July 1st of each year. Development of the budget is driven by the strategic plan, organization goals and objectives, external factors such as growth, development, and water consumption trends.

The Finance Committee of the Board , along with BRWA staff participate in the development of the Budget prior to the presentation to the Board at a public board meeting. There is a public comment period during every Board meeting and all budget materials are available on the website prior to each meeting. If a rate increase is proposed, a separate rate hearing is held, in addition to the regularly scheduled Board meetings and public comment period.

The Engineering department develops the Capital Improvement Budget (CIP) using the strategic plan and organizational goals as well as any developments that may impact infrastructure needs. Departmental managers also submit any requests for projects that may be needed for the facilities that they manage. Project costs are estimated based on asset management assumptions at the time of budget development. Once the CIP is completed, it is presented to the Finance Committee, and then the Board, as part of the operating budget presentation in April of each year. During the preparation of the operational and CIP budgets, the funding amounts for the replacement capital accounts are established.

During this same time, the Finance Department, along with departmental managers, are developing the overall operating budget for the BRWA. The team meets with individual departments to develop operating expenses using trend, usage data, and inflation factors to determine any increase/decrease in expenses. In addition, discussions of any new personnel requirements are developed to ensure appropriate budgetary coverage. For purposes of revenue development, the team reviews historical and current year trend analysis, such as customer growth, consumption analysis, and the rate study model to develop the revenue budget.

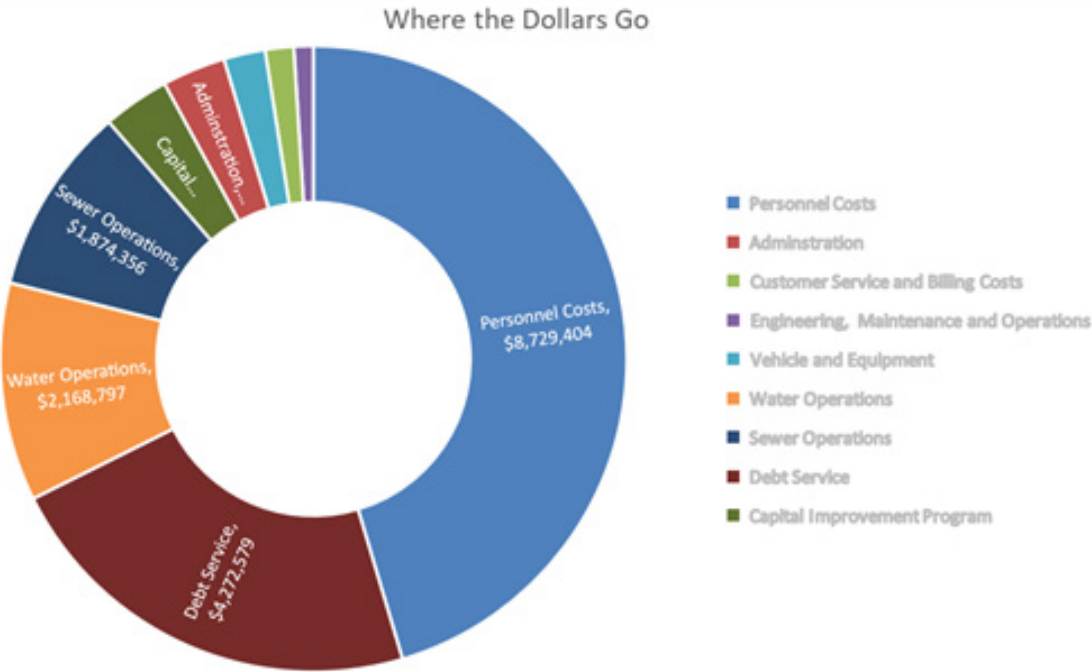
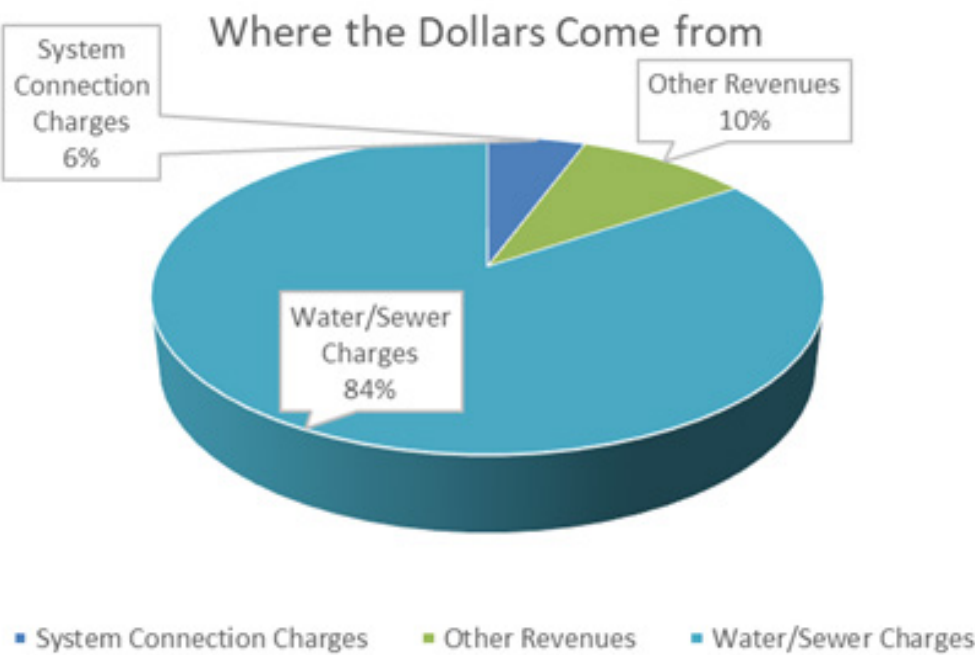
The CIP, revenue and expense budgets are combined and presented to the Board in April each year. Following this presentation, any amendments by the Board are made and the final budget is adopted in May. A timeline of our budget process is included on the next page to further illustrate the budget process at the BRWA.





# BUDGET SUMMARIES

The BRWA's Fiscal Year Total Operating and Non-Operating Budget is \$21,359,733:



## **FY 2026 OPERATING BUDGET HIGHLIGHTS**

### **Operating Expenses:**

- FY 2026 Operating Budget Expenses total \$18,563,235.
- FY 2025 Operating Budget Expenses total \$17,805,614.

### **Personnel Costs comprise 47% of total Operating Expenses, totaling \$8,729,404.**

- This category includes salaries, payroll taxes, retirement, health insurance, training and education and safety expenses.
- FY 2025 personnel costs totaled \$8,216,260 or 46% of total operating expenses.
- Increase of \$513,144.

### **Department Operating Budgets:**

- FY 2026 \$1,518,099
- FY 2025 \$1,625,602

### **Water and Sewer System Operating Costs:**

- FY 2026: 4,043,153
- FY 2025: 4,002,146

### **Debt Service (Principal and Interest) Expense:**

- FY 2026: \$4,272,579
- FY 2025: \$3,961,596

### **Top Budget Priorities:**

- High quality water delivered to our customers
- Meet financial obligations and financial sustainability
- Planning for infrastructure replacements and improvements
- Strategic initiatives

### **Top Operating Initiatives:**

- Operational efficiencies
- Service Continuity
- Water line replacements
- Identify lead service lines

### **Other BRWA Initiatives:**

- Continued implementation of the 2024-2028 Strategic Plan
- Employee recruitment and retention
- Look towards future capital needs and rates necessary to fund these initiatives

## Water and Sewer Rates - Fiscal Year 2026 Approved:

The adopted monthly user water and sewer rate increase is driven by the following factors:

- Continue funding replacement reserve accounts for infrastructure replacements and improvements.
- The BRWA service area has a denser population than its neighboring localities, thus requiring a higher rate than its neighbors.
- The geographical area for the BRWA is inefficient and makes it more expensive to service than its local counterparts.
- There are critical replacement needs for various systems that must be addressed.

## The BRWA's Fiscal Year Total Operating and Non-Operating Budget is \$21,359,733:

Existing Customer Fees	Water		Sewer	
	FY 2025	FY 2026	FY 2025	FY 2026
<b>B. Volume Charges (per 1000 gallons)</b>				
Residential and Commercial	\$6.50	\$6.75	\$8.50	\$8.75
Industrial	\$5.75	\$6.00	\$7.75	\$8.00
<b>B. Base Charges (per Month) Based on meter size</b>				
5/8"	\$29.00	\$31.00	\$29.00	\$31.00
3/4"	\$41.00	\$44.00	\$41.00	\$44.00
1"	\$67.00	\$72.00	\$67.00	\$72.00
1-1/2"	\$116.00	\$124.00	\$116.00	\$124.00
2"	\$186.00	\$199.00	\$186.00	\$199.00
3"	\$348.00	\$372.00	\$348.00	\$372.00
4"	\$580.00	\$620.00	\$580.00	\$620.00
6"	\$1,160.00	\$1,240.00	\$1,160.00	\$1,240.00
8"	\$1,885.00	\$2,015.00	\$1,885.00	\$2,015.00
10"	\$3,190.00	\$3,410.00	\$3,190.00	\$3,410.00
<b>B. Base Charges for Special Service Areas (per Month) Based on Meter</b>				
Cedar Rock 5/8"	\$29.00	\$31.00	\$72.00	\$74.00
Paradise Point 5/8"	\$41.00	\$43.00	n/a	n/a
Mariners Landing 5/8"	\$29.00	\$31.00	\$37.00	\$39.00
Mariners Landing 1"	\$67.00	\$72.00	\$85.00	\$90.00

## Sample Monthly Combined Water and Sewer Bill

*For average residential user*

Combined Water and Sewer	Meter Size	Monthly Usage (gallons)	Current Bill	Recommended FY 2026 bill	Monthly Change
Average Residential User- based on 4,000 gallons	5/8"	4,000	\$ 118.00	\$ 124.00	\$ 6.00



## **WATER AND SEWER RATES- FREQUENTLY ASKED QUESTIONS**

### **FY 2026 Budget and Rates**

#### **Why does the BRWA need a rate increase?**

While the BRWA has been able to maintain its high level of service, costs associated with providing these services have increased and must be supported by sustainable rate increases.

The BRWA maintains 404 miles of waterline and in FY 2025 0.9 miles were replaced. BRWA has identified priorities related to the water system that include: identifying lead service lines, operational efficiencies, service continuity and water line replacements.

The BRWA maintains 161 miles of sewer line and in FY 2025 1.7 miles were replaced. BRWA has identified priorities related to the sewer system that include: system capacity and operational efficiencies, inflow and infiltration issues, aging facilities and sewer line replacements.

Operating expenses have increased 3% for FY 2026, as compared to FY 2025.

#### **How much will my bill increase?**

The average residential BRWA customer will see an increase in their monthly bill of \$3.00 for water and \$3.00 for sewer.

#### **Why does BRWA have different rates for some systems?**

In recent years, the BRWA has been approached and asked to take over various private water and sewer systems within its service area. These systems either have unique operating needs and or capital improvement needs that necessitate a monthly base rate that is more than the standard BRWA rate. These rates are calculated upon the transfer of the system and routinely to make sure the rate is still adequate.

#### **Why is Capital Planning causing rates to increase?**

The BRWA is utilizing its asset management program to inventory and identify replacement needs within the service area. At current sewer replacement allocations of \$400,000 annually, only 243 out of 3,073 sewer sections will be replaced over a 50-year period. Over the next 10 years, gravity sewer replacements needed total \$81M, with \$44M needed in year 1. Work is still underway to inventory and identify water replacement needs.

#### **Who pays for growth?**

BRWA has a philosophy that "growth pays for growth". Costs related to the expansion of system capacity should be funded with new/future customers who cause the need for such capacity through capital recovery and connection fees.

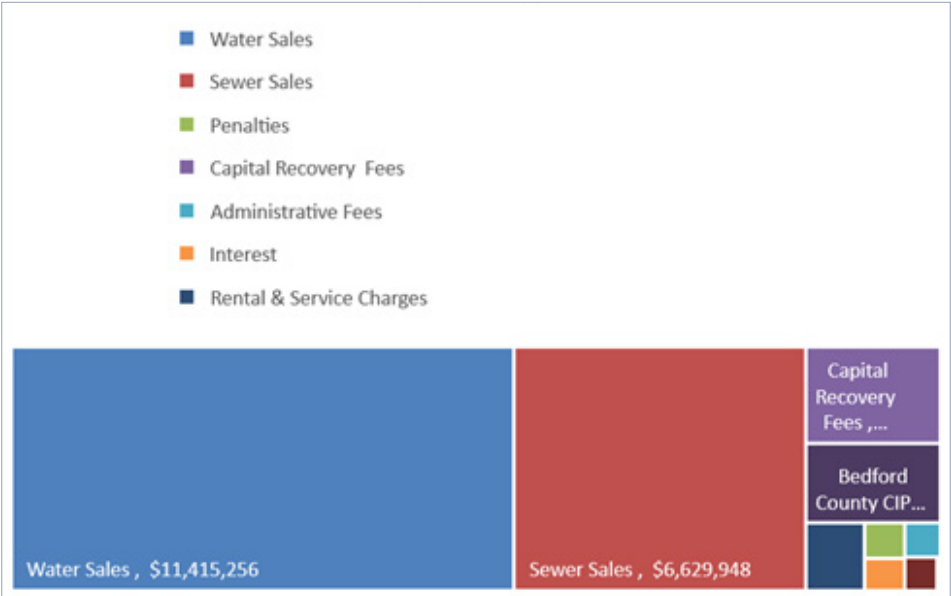
## FY 2026 Revenue and Expense Summary

<u>Revenue Sources</u>	FY 2024 Actuals	FY 2025 Budget	FY 2026 Budget
Revenue from Operations	\$ 20,937,404	\$ 20,016,529	\$ 21,086,201
<u>Other Non Operating Sources</u>			
Other Revenue & Support	\$ 3,683,744	\$ 269,332	\$ 273,532
<b>Total Revenue</b>	<b>\$ 24,621,148</b>	<b>\$ 20,285,861</b>	<b>\$ 21,359,733</b>
<u>Expenditure Categories</u>			
Direct Operating Expenses	\$ 12,996,383	\$ 13,844,018	\$ 14,290,657
<u>Debt Service</u>			
Debt Expenditures	\$ 3,664,394	\$ 3,661,595	\$ 4,272,579
Replacement Reserve Capital Setasides	\$ 1,600,000	\$ 2,036,000	\$ 2,132,000

## FY 2026 Revenues

<u>Revenue Sources</u>	FY 2024 Actuals	FY 2025 Budget	FY 2026 Budget
Water Sales	\$ 10,857,288	\$ 11,493,200	\$ 11,415,258
Sewer Sales	\$ 5,743,436	\$ 5,578,387	\$ 6,829,948
Penalties	\$ 188,302	\$ 120,500	\$ 131,000
Capital Recovery Fees	\$ 1,729,350	\$ 1,200,000	\$ 1,200,000
Administrative Fees	\$ 129,539	\$ 110,500	\$ 110,500
Interest	\$ 382,841	\$ 85,000	\$ 120,000
Rental & Service Charges	\$ 499,531	\$ 313,942	\$ 389,498
Contract Operations	\$ 311,131	\$ 107,000	\$ 100,000
Misc	\$ 95,988	\$ 8,000	\$ 10,000
Bedford County CIP Contribution For Debt & Other Contributions	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Revenue from Operations	\$ 20,937,404	\$ 20,016,529	\$ 21,086,201
<u>Other Non Operating Sources</u>			
Line Dedications	\$ 646,779	\$ 200,000	\$ 200,000
Prepay Redemptions	\$ 25,900	\$ 20,000	\$ 20,000
Customer Line Contributions	\$ -	\$ -	\$ -
Contributions from Outside Agencies	\$ 2,984,376		
County portion- cellular tower rental	\$ 46,689	\$ 49,332	\$ 53,532
Other Revenue & Support	\$ 3,683,744	\$ 269,332	\$ 273,532
<b>Total Revenue</b>	<b>\$ 24,621,148</b>	<b>\$ 20,285,861</b>	<b>\$ 21,359,733</b>

FY 2026 Revenues



Revenue Highlights - FY 2026

Water Sales - include all monthly base and commodity charges for all customer classes.

Sewer Sales - include all monthly base and commodity charges for all customer classes.

Capital Recovery Charges - Capital Recovery Fees are charged by the BRWA to help offset the capital costs and debt service incurred by the Authority to build and maintain capacity in the entire water and/ or sewer systems such that it is possible to serve the customer’s actual and/ or future demands. Capital Recovery Fees are charged based on the size of the water meter. These charges are harder to project, due to the timing of project development.

Customer Type or Meter Size	All Service Areas	
	Water	Sewer
Capital Recovery Fees – See Rate Information Policy		
5/8"	\$5,000	\$5,900
3/4"	\$7,000	\$9,000
1"	\$12,000	\$14,000
1-1/2"	\$20,000	\$24,000
2"	\$32,000	\$38,000
3"	\$60,000	\$71,000
4"	\$100,000	\$118,000
6"	\$200,000	\$236,000
8"	\$346,000	\$384,000



## FY 2025 Changes in Net Position

	<u>FY 2024</u> <u>Actual</u>	<u>FY 2025</u> <u>Estimated</u>	<u>FY 2026</u> <u>Estimated</u>
Beginning Net Position	\$ 91,179,596	\$ 96,473,158	\$ 102,031,492
Change in Net Position	\$ 5,293,652	\$ 5,558,335	\$ 5,836,251
Ending Net Position	\$ 96,473,248	\$ 102,031,493	\$ 107,867,744
Net investment in capital assets	\$ 81,126,433	\$ 85,798,282	\$ 90,705,986
Restricted for debt service	\$ 1,747,697	\$ 1,846,770	\$ 1,952,406
Restricted for capital improvements	\$ 1,247,282	\$ 1,316,206	\$ 1,391,494
Unrestricted	\$ 12,351,746	\$ 13,070,234	\$ 13,817,858
Ending Net Position	\$ 96,473,158	\$ 102,031,492	\$ 107,867,744

Note: This table shows the audited FY 2024 changes in net position and estimates changes for FY 2025 and FY 2026. Net position is dependent upon a variety of factors and is contingent upon contributed capital or capital assets from developers and customers. These contributions can be significant, and estimates related to the timing of the formal dedication of these assets can vary. Please see "Changes in Net Position" in the Budget Appendix for a schedule of historical audited data.



## LONG - RANGE FINANCIAL PLANS

The BRWA uses the following guiding principles in its evaluation of current and future financial sustainability:

- The Authority will maintain operating reserves, to help maintain the operations and maintenance functions that would otherwise have to be deferred, require debt issuance, or require rate increases.
- When assessing capital project funding approaches and the issuance of debt, the BRWA will conduct a series of financial analyses to demonstrate its financial ability to incur such debt under its current rate structure, and to determine if, when and to what degree rate structures need to be adjusted in the event that the current rate structure is not able to accommodate new additional debt.
- The BRWA develops and maintains a comprehensive list of various fees and charges. Fees will be at levels sufficient to cover the entire cost of service.
- Growth pays for growth- costs related to the expansion of system capacity should be funded with new/future customers who cause the need for such additional capacity through capital recovery and connection fees.
- The BRWA has implemented best management practices which dictate that cash/investment reserves be accumulated to provide for contingencies and planned/unplanned major expenses.

The FY 2026 budget supports the above noted principles by:

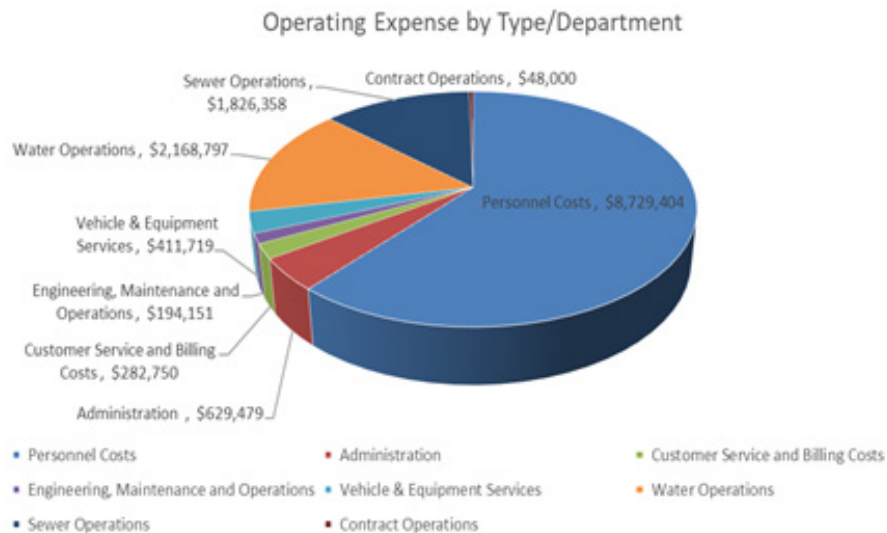
- The BRWA evaluated both operating and non-operating revenues through a rate model and analysis of current market conditions. The rate model incorporates expected expenses and growth to the customer basis over a period of time to ensure that rates are adequate to cover expenses, debt service and continue to fund the replacement capital accounts.
- In FY 2026, \$2,132,000 will be contributed towards Replacement Reserve Capital Set asides. This is an increase of \$96,000 over FY 2025 contributions.
- In accordance with BRWA's Financial Management policy:
  - The BRWA budgeted so that all current operating expenses to be paid for with operating revenues.
  - The BRWA Finance department ensures that the BRWA is self-sustaining and fiscally strong.

The Capital Improvement Program (CIP) outlines estimated project costs for FY 2026 and consists of both water, wastewater, and non-utility/facility projects and include but are not limited to the replacement of existing and aging water mains, identifying inflow and infiltration in the sewer system, capacity and operational efficiencies.

## BRWA OPERATING BUDGET

The BRWA Operating Budget is \$14,290,657, or a 3% increase. The single largest cost of the Operating Budget are personnel costs. As outlined in the 2024-2028 Strategic Plan, one of the pipelines is its Workforce. This budget focuses on Employee recruitment and retention.

The following pages will outline in more detail the Operating Budget for FY 2026.



The Operating Budget for the BRWA is divided into the following areas: Personnel Costs, Administration, Customer Service and Billing, Engineering/Maintenance and Operations, Vehicle and Equipment Services, Water Operations, and Sewer Operations.

The BRWA operates with a set of budget categories for its system needs: Supplies, Contracted Services, Repairs and Improvements, Communication, Power, Fuel Costs, Property Insurance, Sampling and Testing and Regulatory Fees. Personnel costs are within their own budget category and not allocated throughout the individual categories.



## Personnel Costs:

- Includes salary, benefits, payroll taxes and other employee development expenses.
- Annually, as part of the budget process, a percentage pool is allocated towards salary increases. All increases are performance based, with individual performance evaluations for each employee.
- Retirement- the employer contribution to the Virginia Retirement System is a percentage of payroll based on an actuarial study. The Rate for Fiscal Year 2026 is 4.97%.
- Health Care – health insurance is provided through The Local Choice, a state health insurance program for Virginia jurisdictions.
- Workers Compensation coverage is provided through the Virginia Risk Sharing Association (VRSA).
- Projected overtime and on call pay are budgeted in this category.
- There are no new positions included in this budget.
- Employee Training, Certifications, Clothing and Uniform and Safety (personal protective equipment) are all budgeted within this category.



## Key Initiatives for FY 2026:

- Continue employer contribution rates for health insurance.
- Provide Training and Education for employees, as well as licenses for water and wastewater operators.
- Employee Events - one of the strategic goals is around the workforce and creating a culture that people want to be a part of. The BRWA provides four annual events for employees to achieve this:
  - **Late winter/early Spring** - “Fireside Chat” where employees receive updates on what is going on at the BRWA, while sitting around a fire pit, roasting marshmallows if they desire. The idea for this event comes from the radio addresses that President Franklin D. Roosevelt gave during the Great Depression and World War II, to update the American people.



- **Spring** - BRWA hosts an annual Spring Fling each year, typically in May. Employees enjoy a catered lunch and fun team activities. There is a brief discussion of current happenings around the BRWA, but the focus is on gathering together as a team, outside of the normal work environment.
  - **Fall** - BRWA hosts an annual Fall Festival, in September or October. This is a similar event to the Spring Fling, where the focus is food and fun team events.
  - **Winter** - BRWA hosts an annual Winter Luncheon, in December. The focus of this event is recognition of employees, through service awards and peer awards for various categories. This is the nicest event of the year and is all about the employees, to show appreciation for their hard work and dedication.
- 
- Training, Education and Professional Licenses are an integral part of the BRWA and funding is provided annually to achieve this.
  - There were changes in methodology for how certain expenses are processed in the FY 2026 Budget, resulting in a lower budgeted amount for Safety and higher amounts for Clothing and Uniforms/.
  - BRWA's Safety team provides safety training classes each year to reduce workplace accidents. Individual departments also conduct informal "5-minute Toolbox Talks" to reinforce the BRWA's commitment to safety culture



Account #	Description	FY 2024 Actuals	FY Adopted 2025 Budget	FY 2026 Adopted Budget	Adopted as % of FY 2025
<b>Salaries</b>					
4000-0010	Salaries	\$ 4,779,002	\$ 5,401,899	\$ 5,850,583	108.3%
4000-0019	On call Stipend	\$ 44,352	\$ 66,300	\$ 80,600	121.6%
4000-0020	Overtime	\$ 285,291	\$ 380,927	\$ 461,767	121.2%
4000-4006	Salaries Total	\$ 5,108,646	\$ 5,849,126	\$ 6,392,950	9.3%
<b>Employee Benefits &amp; Related Expenses</b>					
4100-0030	Payroll Taxes	\$ 373,962	\$ 442,386	\$ 482,895	109.2%
4100-0040	VRS Retirement & Life	\$ 505,315	\$ 476,387	\$ 360,518	75.7%
4100-0041	VRS Hybrid Disability	\$ 11,329	\$ 14,439	\$ 16,273	112.7%
4100-0045	Unemployment Payments	\$ 4,830	\$ -		
4100-0050	Health Insurance	\$ 819,600	\$ 990,731	\$ 1,088,505	109.9%
4100-0055	Flexible Benefits Account	\$ 1,136	\$ 2,500	\$ 2,500	100.0%
4100-0060	Workers Compensation Ins.	\$ 39,781	\$ 69,714	\$ 55,178	79.1%
4100-0065	Employee Testing & Background Check	\$ 10,023	\$ 8,606	\$ 8,605	100.0%
4100-0070	Mileage Reimbursements	\$ -	\$ -	\$ -	
4100-0075	Meetings	\$ 5,337	\$ 14,860	\$ 23,820	160.3%
4100-0080	Professional Dues	\$ 8,000	\$ 17,410	\$ 14,111	81.1%
4100-0085	Training & Education	\$ 52,561	\$ 116,026	\$ 102,493	88.3%
4100-0086	Continuing education	\$ 11,614	\$ 36,285	\$ -	0.0%
4100-0090	Whistle Blower Hotline	\$ 1,049	\$ 500	\$ 500	100.0%
4100-0095	Employee Referral Program	\$ 300	\$ 500	\$ 500	100.0%
4100-0101	Clothing & Uniforms	\$ 19,280	\$ 62,380	\$ 77,298	123.9%
4100-0102	Employee & Incentive Fund	\$ 30,358	\$ 34,350	\$ 34,750	101.2%
4100-0103	Safety	\$ 73,990	\$ 80,060	\$ 68,507	85.6%
4100	Employee Benefits	\$ 1,968,463	\$ 2,367,134	\$ 2,336,454	-1.3%

## Administration Budget for FY 2026

The Administration budget category includes the following: general office expenses, Board of Directors salaries and the Information Technology department. The Finance department also falls into this category.

Long range planning is in this category and includes strategic planning initiatives and third-party salary studies. The BRWA completes internal salary surveys annually and conducts a formal, third-party compensation study every three years.

### Key Initiatives:

- Cornerstone Leadership program for all Directors, Managers and Supervisors.
- Support the Board of Directors in policy making.
- The Information Technology team supports all BRWA Staff and various project implementations.
- Replacement of servers, PCs, field tablets and mobile phones.

As part of the 2024-2028 Strategic Plan:

- Ensure that the pipe system in our service area meets current standards. An annual Community Roundtable event will be held, to bring together community partners to discuss water and sewer needs within Bedford Town and County.
- Leveraging Technology to automate processes, increase data access and strengthen data integration across departments.
- Educate and engage community members about the conservation, preservation, and use of Bedford County's water resources.
- Development of a phased data visualization program. Ensure that the BRWA is prepared to implement and utilize dashboards.





Account #	Description	FY 2024 Actuals	FY Adopted 2025 Budget	FY 2026 Adopted Budget	Adopted as % of FY 2025
General Office Expenses					
4010-0075	Board & Committee Meetings	\$ 793	\$ 1,000	\$ 1,000	100.0%
4010-0085	Long Range Planning	\$ 23,125	\$ 42,400	\$ 37,500	88.4%
4010-0100	Supplies	\$ 5,792	\$ 8,000	\$ 8,000	100.0%
4010-0103	Public Outreach Expenses	\$ 5,285	\$ 18,525	\$ 14,000	75.6%
4010-0110	Building Maintenance Expense	\$ 53,490	\$ 42,500	\$ 52,000	122.4%
4010-0130	Postage & Shipping Expense	\$ 10,342	\$ 8,000	\$ 8,500	106.3%
4010-0140	Commercial Phone Charges	\$ 13,836	\$ 14,400	\$ 14,400	100.0%
4010-0142	Cellular Phone Service	\$ 26,003	\$ 20,480	\$ 20,480	100.0%
4010-0150	Building Power & Utilities	\$ 23,065	\$ 24,000	\$ 24,000	100.0%
4010-0155	Building Fuel Costs	\$ 4,622	\$ 6,000	\$ 6,000	100.0%
4010-0160	Employee Bond	\$ 508	\$ 680	\$ 748	110.0%
4010-0161	Building Insurance	\$ 4,052	\$ 3,025	\$ 3,328	110.0%
4010-0170	Advertising	\$ 17,601	\$ 18,000	\$ 20,000	111.1%
4010-0175	Bank Service Charges	\$ 6,510	\$ 16,800	\$ 16,800	100.0%
4010-0200	Accounting Services	\$ 40,045	\$ 50,000	\$ 50,000	100.0%
4010-0220	Legal Expenses	\$ 38,491	\$ 18,000	\$ 18,000	100.0%
4010-0400	Board of Directors Fees	\$ 28,500	\$ 28,500	\$ 28,500	100.0%
4010-0401	Board of Directors Mileage	\$ 535	\$ 588	\$ 588	100.0%
4010	General Office	\$ 302,594	\$ 320,898	\$ 323,844	0.9%

#### Network Costs

4120-0100	Information Systems Supplies	\$ 13,525	\$ 14,000	\$ 8,000	57.1%
4120-0110	Network Contracted Services	\$ 78,675	\$ 64,160	\$ 71,660	111.7%
4120-0115	Continuing Software Support	\$ 244,242	\$ 259,436	\$ 205,245	79.1%
4120-0145	Internet & WAN Communications	\$ 15,866	\$ 11,350	\$ 18,570	163.6%
4120	Network Costs	\$ 352,309	\$ 348,946	\$ 303,475	-13.0%
4130-0100	Administration Supplies	\$ 4,561	\$ 2,160	\$ 2,160	100.0%



## Customer Service FY 2026 Operating Budget

The BRWA Customer Service department is responsible for billing and processing payments for BRWA customers.

### Key Initiatives for FY 2026:

- Along with the Finance team, design and implement current and future rates.
- Customer Information System development, including billing system replacement (2024-2028 Strategic Plan)
- Continue reviewing meter reading technology and adding tower-based reading systems to improve the customer service experience.

Account #	Description	FY 2024 Actuals	FY Adopted 2025 Budget	FY 2026 Adopted Budget	Adopted as % of FY 2025
<b>Billing Costs</b>					
4110-0091	Bad Debt Water	\$ (118)	\$ 10,000	\$ 10,000	100.0%
4110-0093	Bad Debt Sewer	\$ -	\$ 12,500	\$ 12,500	100.0%
4110-0094	Bad Debt Penalty & Misc Charges	\$ 19,725	\$ 2,500	\$ 2,500	100.0%
4110-0097	Collection Agency Expense	\$ 273	\$ 3,000	\$ 3,000	100.0%
4110-0110	Bill Processing Services	\$ 142,609	\$ 117,064	\$ 101,726	86.9%
4110-0112	Customer Notification Expenses	\$ 1,411	\$ 5,000	\$ 5,000	100.0%
4110-0115	Large Meter Testing and Rebuilds	\$ 35	\$ 50	\$ 150	300.0%
4110-0120	Software Maintenance	\$ 64,214	\$ 65,736	\$ 74,540	113.4%
4110-0125	Credit Card Processing Fees	\$ 45,789	\$ 52,000	\$ 56,550	108.8%
4110-0175	Courier and Shredding Service	\$ 6,894	\$ 6,840	\$ 11,388	166.5%
4110	<b>Billing Costs</b>	\$ 280,832	\$ 274,690	\$ 277,354	
4140-0100	Customer Service Supplies	\$ 115	\$ 4,396	\$ 5,396	122.7%





## **Engineering, Maintenance and Operations FY 2026 Budget:**

The Engineering team is responsible for planning, managing, and protecting our existing water and wastewater system. They are responsible for creating and maintaining the Capital Improvement Program (CIP). As part of the 2024-2028 strategic plan, a system will be built to layer GIS and asset data to automate regulatory compliance reporting.

The Maintenance team is responsible for preventative and reactive (emergency) repairs to the water and wastewater system, by upgrading and maintaining the water distribution system and sewer collection system. The Maintenance team is also responsible for the management of BRWA's vehicle and equipment fleet.

The Operations team is responsible for water quality and for wastewater treatment. They also administer the Backflow and Cross Connection Program and a proactive Fats, Rags, Oil and Grease (FROG) program. The FROG program works to minimize the buildup of these substances in the wastewater collection system that can reduce capacity in pipes and result in blockages.

Expenses for individual water and sewer systems are contained within the specific service areas in which they treat and are located later in the budget document.

### **Key Initiatives:**

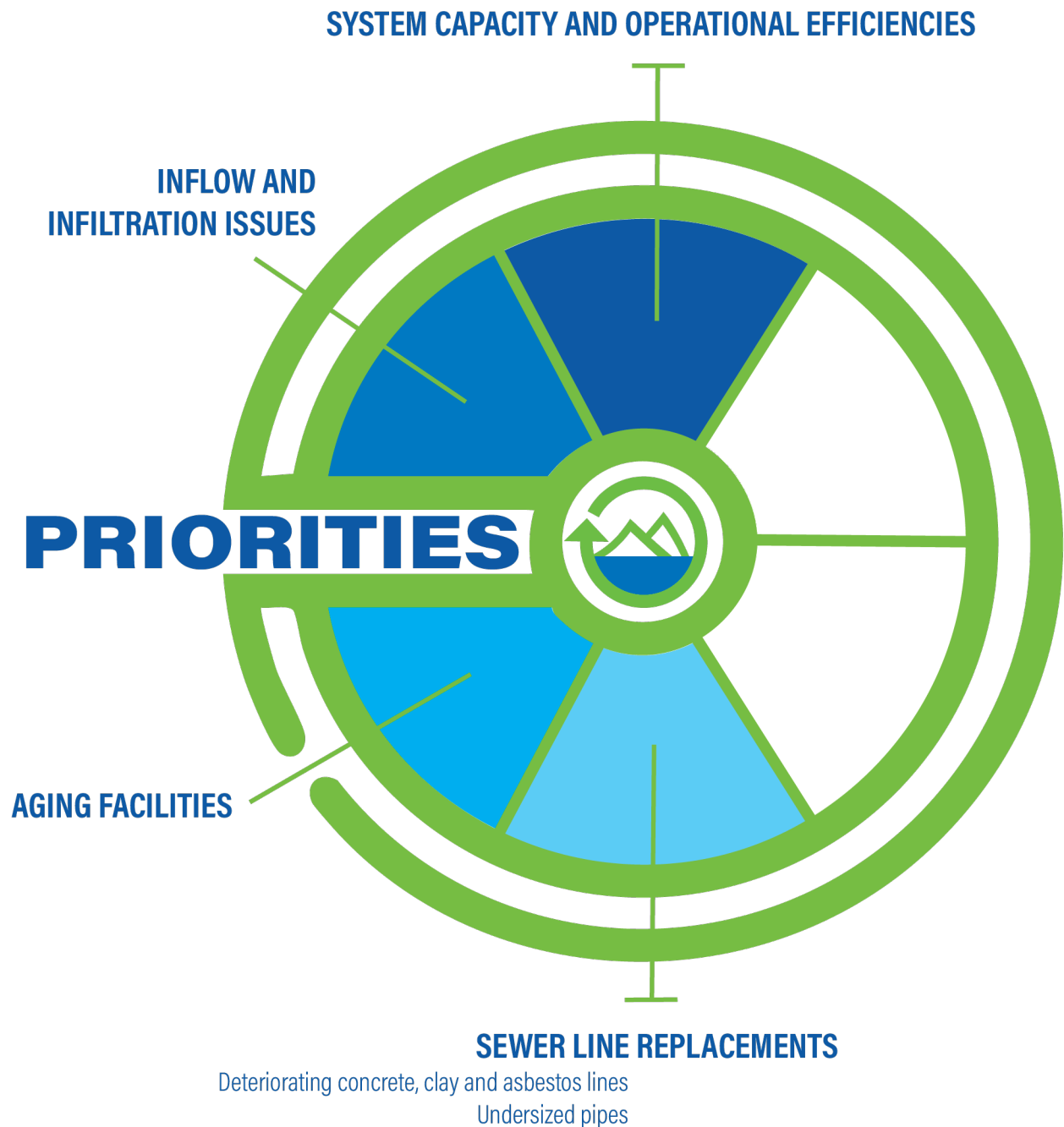
Water System:

- Identify lead service lines
- Operational efficiencies 2024-2028 Strategic Plan
- Service Continuity 2024-2028 Strategic Plan
- Water line replacements- galvanized water mains, aging cast iron mains, asbestos cement mains, and air valve replacements)- 2024-2028 Strategic Plan



## Sewer System:

- System Capacity and operational efficiencies 2024-2028 Strategic Plan
- Inflow and Infiltration Issues
- Aging facilities 2024-2028 Strategic Plan
- Sewer line replacements (deteriorating concrete, clay and asbestos lines, undersized pipes) 2024-2028 Strategic Plan





Account #	Description	FY 2024 Actuals	FY Adopted 2025 Budget	FY 2026 Adopted Budget	Adopted as % of FY 2025
4210-0100	Engineering Supplies	\$ 26,651	\$ 32,973	\$ 35,111	106.5%
4210-0110	Engineering Reviews-Contracted	\$ 74,535	\$ 96,000	\$ 61,800	64.4%
4210-0141	Locating Notification Tickets	\$ 12,339	\$ 13,242	\$ 14,400	108.7%
4210-0240	Construction Testing	\$ 2,480	\$ 5,204	\$ 4,240	81.5%
4210	Engineering	\$ 116,006	\$ 147,419	\$ 115,551	-21.6%
4220-0100	Wastewater Operations Supplies	\$ 2,115	\$ 1,600	\$ 1,600	100.0%
4223-0100	Water Operations Supplies	\$ 1,073	\$ 10,000	\$ 12,000	120.0%
4221-0100	FROG Program Supplies	\$ 7,395	\$ 8,850	\$ 6,000	67.8%
4222-0100	Pretreatment Supplies/Expenses	\$ 23,966	\$ 26,900	\$ 31,000	115.2%
4222-0200	Backflow Supplies	\$ 6,283	\$ 13,500	\$ 10,000	74.1%
4225-0100	Lab Supplies	\$ 19,204	\$ 18,000	\$ 18,000	100.0%
4220-4225	Operations	\$ 60,036	\$ 78,850	\$ 78,600	100.0%
4230-0100	Maintenance Supplies	\$ 57,782	\$ 62,146	\$ 69,612	112.0%



Account #	Description	FY 2024 Actuals	FY Adopted 2025 Budget	FY 2026 Adopted Budget	Adopted as % of FY 2025
4240-0100	Vehicle & Equipment Supplies	\$ 43,542	\$ 46,360	\$ 46,350	100.0%
4240-0110	Vehicle & Equipment Contracted Service	\$ 175,832	\$ 148,150	\$ 125,000	84.4%
4240-0155	Vehicle & Equipment Fuel	\$ 131,324	\$ 150,000	\$ 125,000	83.3%
4240-0162	Vehicle & Equipment Insurance	\$ 38,064	\$ 41,597	\$ 45,757	110.0%
4240	Vehicle & Equipment Costs	\$ 446,544	\$ 448,253	\$ 411,719	91.8%

## System Budgets for FY 2026:

The other budget categories for systems typically have the following expense categories:

- Supplies - general supply needs
- Contracted Services - repair costs completed by a third party
- Repairs and Improvements - preventive maintenance costs (valves, hydrants, easement clearing, etc.)
- Communication - phone and internet for facilities
- Power
- Fuel Costs
- Property Insurance
- Sampling and Testing - compliance testing completed by a third-party laboratory
- Regulatory Fees - permit fees from the Virginia Department of Health (VDH) and Department of Environmental Quality (DEQ)

The BRWA also provides contract operations for Bedford County Schools individual wastewater systems within Bedford County.

Account #	Description	FY 2024 Actuals	FY Adopted 2025 Budget	FY 2026 Adopted Budget	Adopted as % of FY 2025
<b>System Expenses</b>					
4250	Forest Water Costs	\$ 1,165,049	\$ 923,169	\$ 930,778	0.8%
4260	Well Systems Costs	\$ 34,576	\$ 40,677	\$ 51,285	26.1%
4265	SML Central Distribution System Cost	\$ 177,717	\$ 45,832	\$ 49,583	8.2%
4270	Highpoint Facility Costs	\$ 48,540	\$ 41,564	\$ 51,059	22.8%
4330	SMLWTF Expenses	\$ 549,779	\$ 604,554	\$ 626,785	3.7%
4275	Central Water Distribution Costs	\$ 321,346	\$ 205,699	\$ 203,761	-0.9%
4276	Central Water Treatment Costs	\$ 187,920	\$ 189,577	\$ 173,433	-8.5%
4280	Stewartsville Water Costs	\$ 39,303	\$ 51,501	\$ 55,088	7.0%
4290	Forest Sewer Costs	\$ 611,165	\$ 657,193	\$ 643,222	-2.1%
4291	Center Sewer Collection System Cost	\$ 187,151	\$ 202,800	\$ 203,300	0.2%
4293	Center Sewer Treatment Costs	\$ 591,574	\$ 513,403	\$ 556,893	8.5%
4292	Moneta Sewer Collection System Cost	\$ 93,974	\$ 89,900	\$ 85,900	-4.4%
4294	Moneta Sewer Treatment Costs	\$ 153,586	\$ 164,401	\$ 158,581	-3.5%
4295	Montvale Sewer Treatment Costs	\$ 33,431	\$ 34,051	\$ 29,261	-14.1%
4291	Montvale Sewer Collection System Cost	\$ 351	\$ 6,500	\$ 2,000	-69.2%
4340	Mariners Landing Sewer Costs	\$ 78,215	\$ 110,800	\$ 103,300	-6.8%
4350	Cedar Rock Sewer Costs	\$ 30,853	\$ 37,000	\$ 43,900	18.6%
4360	Paradise Point Water Expenses	\$ 10,308	\$ 26,525	\$ 27,025	1.9%
4300	Contract Operations	\$ 41,440	\$ 57,000	\$ 48,000	-15.8%

## Debt Financing - FY 2026

The BRWA does not anticipate the issuance of new debt as it will be using cash or reserves to fund capital projects for FY 2026.

The BRWA issued debt with the Virginia Resources Authority (VRA) in 2020 and 2022 and refunded previous issuances in 2014 and 2015.

The BRWA issued debt for the Ivy Creek Sewer Project in FY 2023, along with an allonge for additional principal in FY 2025, through the Virginia Water Facilities Revolving Fund. This debt is low interest and includes a principal forgiveness component.

The BRWA has an agreement with the City of Lynchburg for sewage treatment and as part of this agreement pays a proportionate share of improvements as addition to debt and capital assets.

As a result of the 2013 consolidation of the previous Bedford County Public Service Authority and the previous City of Bedford's water and sewer department, all water and sewer debt issued by the City of Bedford was transferred to the BRWA.

	<u>Interest Rates</u>	<u>Date Issued</u>	<u>Final Maturity Date</u>	<u>Amount of Original Issue</u>	<u>Outstanding</u>
<b><u>Revenue Bonds:</u></b>					
Virginia Resources Authority					
Water and Sewer Bonds	2.13-5.13%	10/07/15	04/01/46	\$ 31,225,000	\$ 26,455,000
Water and Sewer Bonds	3.82-4.43	07/29/14	10/01/25	2,320,000	1,745,000
Water and Sewer Bonds	2.04-5.13	09/25/20	10/01/35	3,730,000	3,175,000
Water and Sewer Bonds	0.30	12/01/22	08/01/49	13,338,457	13,338,457
Plus unamortized bond premium					693,202
					<u>\$ 45,406,659</u>
<b><u>Due to Other Governmental</u></b>					
<b><u>Units:</u></b>					
Lynchburg Sewer System Bonds	1.75-5.00%	Various	06/01/44	\$3,430,364	\$ 877,563
Due to Town of Bedford	Various	Various	02/21/26	7,501,599	1,216,998
					<u>\$ 2,094,561</u>



## FY 2026 Capital Improvement Program

The Bedford Regional Water Authority's Capital Improvement Program (CIP) is intended to ensure that capital improvements are coordinated, timed to maximize the Authority's financial resources, and promote a measured approach to long-range asset planning. The Capital Improvement Program is a planning document intended to provide an analysis of potential long-range funding needs, specifically addressing the upcoming two to three years in combination with fiscal expectations. Actual appropriations for projects occurring under the plan are made on an annual basis, and the CIP is reviewed annually to address changes in priorities and any funding issues or opportunities. Projects projected beyond FY 2026 will be reviewed during the annual budget process for the given fiscal year and may be revised or rescheduled depending on preliminary cost estimates, changing priorities and the availability of funding in any particular year. Priority criteria will be utilized to further identify project and purchase priorities in the coming fiscal years as funding becomes available.

The Authority serves more than 15,500 customers, with more than 400 miles of water lines and 160 miles of sewer lines. Water and sewer services require extensive capital investment to maintain and periodically upgrade deteriorating infrastructure to support continued service to customers and allow for system growth. Some of the considerations in determining necessary projects and purchases include:

- Replacement and upgrades of deteriorating equipment essential for treatment processes and general facility maintenance.
- Processes and equipment that reduce or eliminate service interruptions
- Purchasing and upgrades of equipment to achieve efficient and reliable operations
- System improvements to address growing demand, potential operational savings, and other operational efficiencies
- Safety and security of facilities and personnel
- Regulatory requirements
- Strategic planning objectives





The BRWA has identified over \$70 million in capital improvement projects that are needed in its water and sewer systems, not including a large number of water and sewer replacement projects to be managed through separate reserve funding or larger projects underway with alternate funding sources. Some of these investments are crucial to supporting continued service to customers and allowing system growth. Other projects provide for the long-term reduction in operating costs, reduced manpower requirements for repairs, proactive replacements and upgrades, and more dependable and reliable service to the customers.

The proposed projects and purchases for the upcoming fiscal year are strategically aligned with the anticipated capital funds outlined in the Fiscal Year Operating Budget. The Authority has prioritized initiatives that address time-sensitive factors, including regulatory requirements, while also considering staff availability to ensure successful implementation. As the organization looks to future years, it is important to recognize that funding for these projects will necessitate careful consideration of rate adjustments based on current financial projections. Additionally, the Authority is actively exploring grant funding opportunities for several significant projects planned for the 2026-2027 fiscal year. By taking these steps, the aim is to enhance operational capabilities and ensure compliance with regulatory standards, ultimately supporting long-term sustainability and growth.

# FY 2025-2026 Capital Improvements Listing

Capital projects identified for FY 2025-2026 include items that have experienced failure and are critical to continued treatment operations, items that enable continuity in service during power failures, and items that have experienced partial failure or are anticipated to reach failure level shortly.



PROJECTS BY SERVICE AREA	2026	Critical Needs
<b>Cedar Rock WWTP</b>		
Cedar Rock WWTP - Restructure influent valve	\$ 10,000	\$ -
<b>Central WTP</b>		
Central WTP - Basin Valves replacement Phase 1	\$ 75,000	\$ 75,000
<b>Central WWTP</b>		
Central WWTP - Repair Primary Clarifier #2	\$ 50,000	\$ 50,000
Central WWTP - Replace grit collector #1	\$ 130,000	\$ 130,000
Central WWTP - Secondary clarifier 1 repair.	\$ 60,000	\$ 60,000
Central WWTP - Electric Pallet Lift	\$ 10,000	\$ -
Central WWTP - Filter feed pump	\$ 15,000	\$ -
Central WWTP - Install new raw grinder	\$ 15,000	\$ 15,000
<b>Mariners WWTP</b>		
Mariners WWTP - Replace chains and sprockets on both Bio-wheels	\$ 40,000	\$ -
<b>Moneta WWTP</b>		
Moneta WWTP - Replace chains and sprockets on Train A Biowheels	\$ 60,000	\$ 60,000
<b>Paradise Point</b>		
Generator for Paradise Point	\$ 15,000	\$ -
Paradise Point - Pipe and pump replacements	\$ 22,000	\$ -
<b>Valley Mills</b>		
Generator for Valley Mills	\$ 15,000	\$ -
Valley Mills - SCADA	\$ 30,000	\$ -
<b>Moneta</b>		
Moneta LS #1 - Wet Well Wizard / Blower System	\$ 40,000	\$ -
<b>MVS</b>		
Generators for Mountain View Shores	\$ 75,000	\$ -
<b>Grand Total</b>	<b>\$ 662,000</b>	<b>\$ 390,000</b>

## FY 2025-2026 Water Projects

Water projects identified for funding in the 2025-2026 fiscal year include items necessary to ensure continued clean water and quality service.

### Well Systems:

#### Generators

- The Mountain View Shores, Valley Mills, and Paradise Point well systems have experienced multiple power outages in recent years. With each system being at a significant distance from the Authority's other systems, appropriately sized generators with an automatic transfer switch allow for continued power to the systems upon operators and maintenance employees being notified of the outage and enable continued service to the customers.

#### Valley Mills SCADA

- The Valley Mills system lacks remote monitoring capabilities. The system has previously experienced valve failures in the past, resulting in the emptying of the water storage tank and boil water notices to those customers. Remote monitoring capabilities through SCADA will provide notifications for low tank levels, enabling a prompt response and ability to maintain positive pressure in the subdivision.

#### Paradise Point Pipe and pump replacements

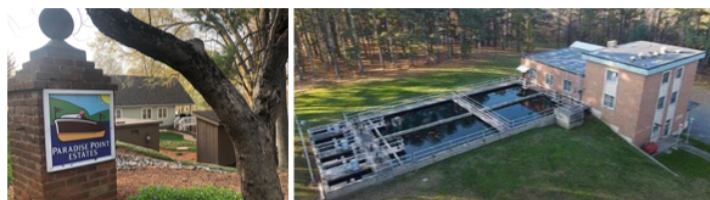
- Galvanized piping inside the facility is in poor condition, with previous repairs made. Pressure pumps and the compressor are aged and in poor condition.

PROJECTS BY SERVICE AREA	Fiscal Year 2026	Critical Needs
<b>Central WTP</b>		
Central WTP - Basin Valves replacement Phase 1	\$ 75,000	\$ 75,000
<b>Paradise Point</b>		
Generator for Paradise Point	\$ 15,000	\$ -
Paradise Point - Pipe and pump replacements	\$ 22,000	\$ -
<b>Valley Mills</b>		
Generator for Valley Mills	\$ 15,000	\$ -
Valley Mills - SCADA	\$ 30,000	\$ -
<b>MVS</b>		
Generators for Mountain View Shores	\$ 75,000	\$ -
<b>Grand Total</b>	<b>\$ 232,000</b>	<b>\$ 75,000</b>

### Central Water Treatment Plant

#### Basin Drain Valve Replacements

- Much of the facility and valves within the Central Water Treatment Plant are original to its 1968 construction, with the exception of improvements made to the facility over the last twelve years. As a result, many valves lack full functionality due to deterioration. The basin valves enable the exterior basins to be emptied and cleaned regularly, removing any growth on the basin walls and preventing sludge overload in the filtering basins. Of the four basin drain valves required for this process, one has failed and is leaking, and another is nearly inoperable.





## FY 2025-2026 Sewer Projects – Central Wastewater

The critical sewer projects identified for the 2025-2026 fiscal year are primarily located at the Central Wastewater Treatment Plant. These projects are for repairs or replacements where equipment has completely failed.

### Railings and Chains on Primary Clarifier Basin #2

- These items have experienced complete failure, rendering the basin out of service until replacements can be made. Repair costs exceeded available funding in FY 2024-2025.



### Secondary Clarifier #1 Repair

- The secondary clarifier is essential for treating increased volumes during higher flow events.



### Grit Collector #1 and Grinder

- The grinder and grit collectors are essential for trash removal ahead of treatment processes and protect equipment in downstream treatment processes. Both items have experienced complete failure. A new grinder was purchased in FY 2024-2025; installation is more complex than can be performed by Authority personnel and will require contracted services.



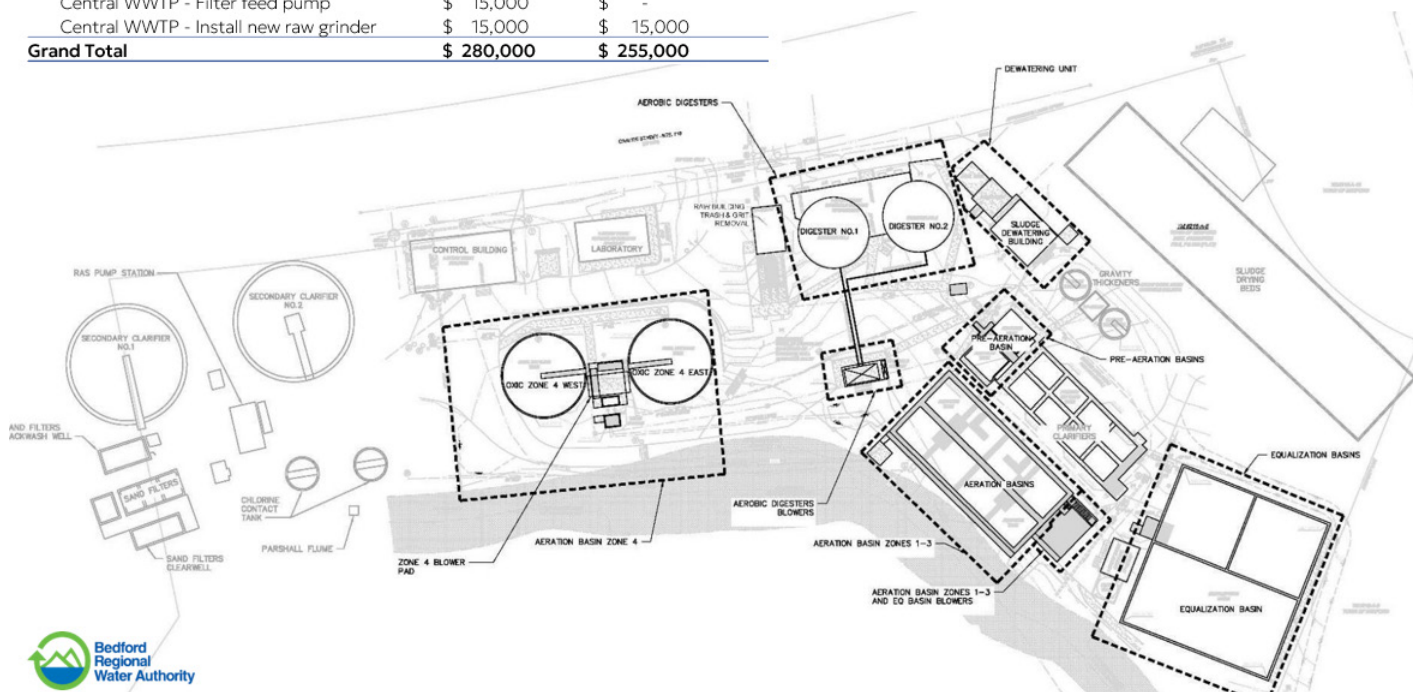
### Filter Feed Pump

- One of three filter feed pumps has completely failed. Two pumps are necessary during high-flow or rainfall events to prevent overflows from occurring at the plant.



## FY 2025-2026 Sewer Projects – Central Wastewater

	2026	Critical Needs
<b>Central WWTP</b>		
Central WWTP - Repair Primary Clarifier #2	\$ 50,000	\$ 50,000
Central WWTP - Replace grit collector #1	\$ 130,000	\$ 130,000
Central WWTP - Secondary clarifier 1 repair	\$ 60,000	\$ 60,000
Central WWTP - Electric Pallet Lift	\$ 10,000	\$ -
Central WWTP - Filter feed pump	\$ 15,000	\$ -
Central WWTP - Install new raw grinder	\$ 15,000	\$ 15,000
<b>Grand Total</b>	<b>\$ 280,000</b>	<b>\$ 255,000</b>



# FY 2025-2026 Sewer Projects – Small Systems

PROJECTS BY SERVICE AREA	Fiscal Year 2026	Critical Needs
<b>Cedar Rock WWTP</b>		
Cedar Rock WWTP - Restructure influent valve	\$ 10,000	\$ -
<b>Mariners WWTP</b>		
Mariners WWTP - Replace chains and sprockets on both Bio-wheels	\$ 40,000	\$ -
<b>Moneta WWTP</b>		
Moneta WWTP - Replace chains and sprockets on Train A Bio-wheels	\$ 60,000	\$ 60,000
<b>Moneta</b>		
Moneta LS #1 - Wet Well Wizard / Blower System	\$ 40,000	\$ -
<b>Grand Total</b>	<b>\$ 150,000</b>	<b>\$ 60,000</b>

## Moneta WWTP and Mariners WWTP

### Bio-wheel Chains and Sprockets

- At Moneta WWTP, Train A is currently not operational due to failed chains and sprockets. This eliminates redundancy should Train B experience issues.
- At Mariners WWTP, it is unknown whether the chains and sprockets were ever been replaced prior to ownership transfer in 2020. Based on the experience of other Bio-wheel systems, these items typically have a life expectancy of 10 years or less and are a critical piece for continued plant operation.



## Moneta Lift Station #1

### Wet Well Wizard / Blower System

- Improvements are needed to significantly reduce the gasses in the system that are causing damage to the wet well and receiving lines. Various solutions were explored in FY 2024-2025, with the costs of the most effective solution exceeding the allocated funding.

## Cedar Rock WWTP

### Influent Valve Restructure

- Current access to the influent valve at the plant creates a safety concern. Relocation of this valve eliminates the concern for safe access.





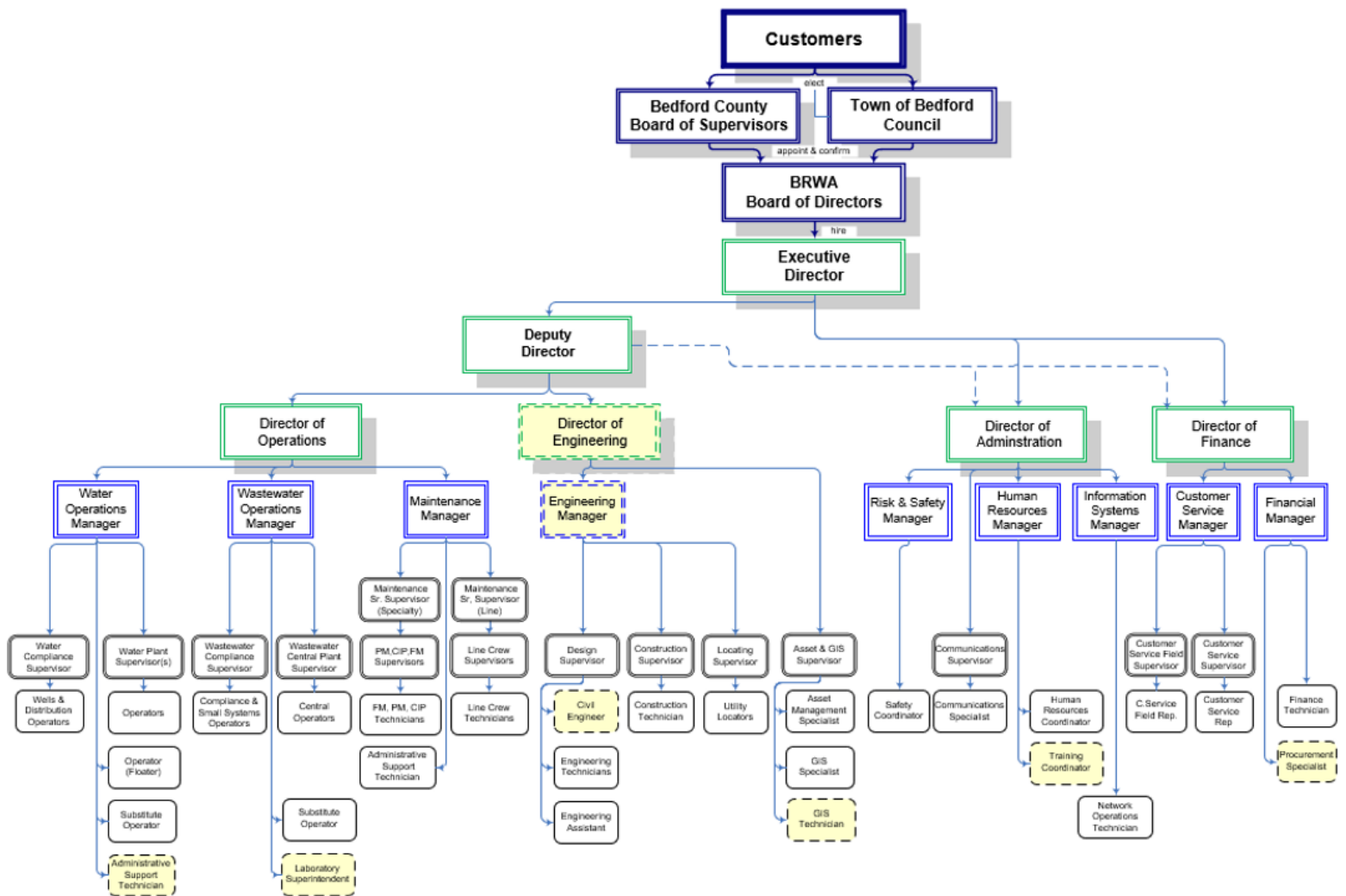
## Capital Improvement Program Projects Listing FYE 26-28

PROJECTS BY SERVICE AREA	Fiscal Year 2026	2027	2028
<b>Central</b>			
<b>Central</b>			
Lead Service Line Inventory Potholing - Town		\$ 490,000	
<b>Central WTP</b>			
Central WTP - Security Alarms and Fire Alarm System			\$ 29,000
Central WTP - Phase 2 Electrical Upgrades		\$ 462,000	
Central WTP - Phase 3 Electrical Upgrades			\$ 143,000
Central WTP - Basin Valves replacement Phase 1	\$ 75,000		
Central WTP - Holding Pond Dredging			\$ 350,000
<b>Central WWTP</b>			
Central WWTP - Repair Primary Clarifier #2	\$ 50,000		
Central WWTP - Replace grit collector #1	\$ 130,000		
Central WWTP - Secondary clarifier 1 repair.	\$ 60,000		
Central WWTP - Electric Pallet Lift	\$ 10,000		
Central WWTP - Filter feed pump	\$ 15,000		
Central WWTP - Install new raw grinder	\$ 15,000		
<b>Forest</b>			
<b>Forest</b>			
Control Valve - Lynchburg Entry Point (Graves Mill Rd)			\$ 120,000
Control Valve - Lynchburg Entry Point (Hawkins Mill)			\$ 120,000
Lead Service Line Inventory Potholing - Forest		\$ 250,000	
<b>Lakes</b>			
<b>Moneta</b>			
Moneta LS #1 - Wet Well Wizard / Blower System	\$ 40,000		
<b>Moneta WWTP</b>			
Moneta WWTP - Replace chains and sprockets on Train A <u>Bio</u> wheels	\$ 60,000		
<b>Various</b>			
<b>Various</b>			
Water - Sample hydrants - Phase 2B (7)			\$ 19,000
<b>Mariners</b>			
<b>Mariners Landing</b>			
Mariners Landing-SCADA for 2 pump stations. These are smaller stations.			\$ 20,000
<b>Mariners WWTP</b>			
Mariners WWTP - Install skimmer on clarifier 1 and 2			\$ 10,000
Mariners WWTP - Replace chains and sprockets on both Bio-wheels	\$ 40,000		

## Capital Improvement Program Projects Listing FYE 26-28

PROJECTS BY SERVICE AREA	Fiscal Year 2026	2027	2028
<b>Cedar Rock</b>			
<b>Cedar Rock WWTP</b>			
Cedar Rock WWTP - Restructure influent valve	\$ 10,000		
<b>SML (Shared with WVWA)</b>			
<b>SML</b>			
SML - Raw Water Intake Generator		\$ 200,000	
SMLWTF GAC Pump and associated parts		\$ 130,000	
<b>Montvale</b>			
<b>Montvale</b>			
Fire Line Meter - Montvale Elementary			\$ 30,000
<b>Office / Administration</b>			
<b>Office</b>			
Annex Building Renovations			\$ 125,000
<b>Purchases</b>			
Phase 2 of Data Visualization		\$ 120,000	
Phase 3 of Data Visualization			\$ 85,000
CIP Crew - Portable Air Compressor			\$ 33,000
CIP Crew - Water Service Hog			\$ 9,000
Key System - Various Plants			\$ 30,000
Water & Sewer Master Plan		\$ 250,000	
Truck for Schools Wastewater Operator			\$ 46,000
CIP Crew - Straw Blower	\$ 12,000		
Line Crew - Department Asbestos Cutting Tools	\$ 10,000		
Line Crew #4 - John Deere 35G			\$ 64,000
Line Crew #4 - 16' 8 Ton Trailer			\$ 11,000
Yard - Stone and Cold Patch Pads			\$ 7,200
<b>Wells</b>			
<b>MVS</b>			
Generators for Mountain View Shores	\$ 75,000		
<b>Paradise Point</b>			
Generator for Paradise Point	\$ 15,000		
Paradise Point - Pipe and pump replacements	\$ 22,000		
<b>Valley Mills</b>			
Generator for Valley Mills	\$ 15,000		
Valley Mills - SCADA	\$ 30,000		
<b>Grand Total</b>	<b>\$ 662,000</b>	<b>\$ 1,924,000</b>	<b>\$ 1,251,200</b>

## BRWA ORGANIZATIONAL CHART



## Departmental Staffing

Department	Position	FY-2024	FY-2025	FY-2026 Proposed
Admin	Senior Communications Specialist	1	-	-
Admin	Communications Specialist II	-	1	1
Admin	Communications Supervisor	-	1	1
Finance	Finance Technician	1	1	1
HR	Safety Coordinator	1	1	1
HR	Human Resources Assistant	1	-	-
HR	Human Resources Coordinator	-	1	1
InfoSys	Network Operations Technician	1	1	1
Customer Service	Customer Service Representative	3	3	3
Customer Service	Customer Service Supervisor	1	1	1
Customer Service	Customer Service Field Rep	2	2	2
Customer Service	Customer Service Field Supervisor	1	1	1
Admin	Director of Administration	1	1	1
Deputy	Deputy Director	1	1	1
Executive	Executive Director	1	1	1
Finance	Director of Finance	1	1	1
Operations	Director of Operations	1	1	1
Asset Management	Asset Management Specialist	1	1	1
Asset Management	GIS Specialist	1	1	1
Asset Management	Asset/GIS Supervisor	-	1	1
Construction	Construction Technician	1	1	1
Construction	Utility Locator Supervisor	1	1	1
Construction	Utility Locator	3	3	3
Construction	Construction Supervisor	1	1	1
Engineering	Engineering Technician	3	3	3
Engineering	Engineering Assistant	1	1	1
Maintenance	Maintenance Coordinator	1	-	-
Maintenance	Senior Maintenance Supervisor - Line	-	1	1
Maintenance	Senior Maintenance Supervisor - Specialty	-	1	1
Maintenance	CIP Maintenance Supervisor	1	1	1
Maintenance	Maintenance Supervisor	4	4	4
Maintenance	Facilities Maintenance Supervisor	1	1	1
Maintenance	Preventive Maintenance Supervisor	1	1	1
Maintenance	Administrative Support Technician	1	1	1
Maintenance	Maintenance Technician	8	8	8
Maintenance	CIP Maintenance Technician	3	3	3
Maintenance	Preventative Maintenance Technician	2	2	2
Maintenance	Facilities Maintenance Technician	3	3	3
Admin	Risk & Safety Manager	1	1	1
Construction	Construction Manager	1	1	1
Customer Service	Customer Service Manager	1	1	1

Department	Position	FY-2024	FY-2025	FY-2026 Proposed
Finance	Finance Manager	1	1	1
HR	Human Resources Manager	1	1	1
InfoSys	Information Systems Manager	1	1	1
Maintenance	Maintenance Manager	1	1	1
Maintenance	Assistant Maintenance Manager	1	-	-
Wastewater	Wastewater Operations Manager	1	1	1
Water	Water Operations Manager	1	1	1
Water	Water Operations Assistant Manager	1	-	-
Wastewater	Wastewater Operations Supervisor	1	1	1
Wastewater	Compliance Coordinator	1	-	-
Wastewater	Wastewater Operations Compliance Supervisor	-	1	1
Wastewater	Wastewater Operator	10	11	11
Wastewater	Wastewater Operator Substitute	1	1	1
Water	Water Operations Compliance Supervisor	-	1	1
Water	Water Operator	7	7	7
Water	Water Operator Substitute	1	1	1
Water	Compliance Specialist	1	-	-
Water	Plant Supervisor	1	1	1
<i>Total</i>		88	90	90

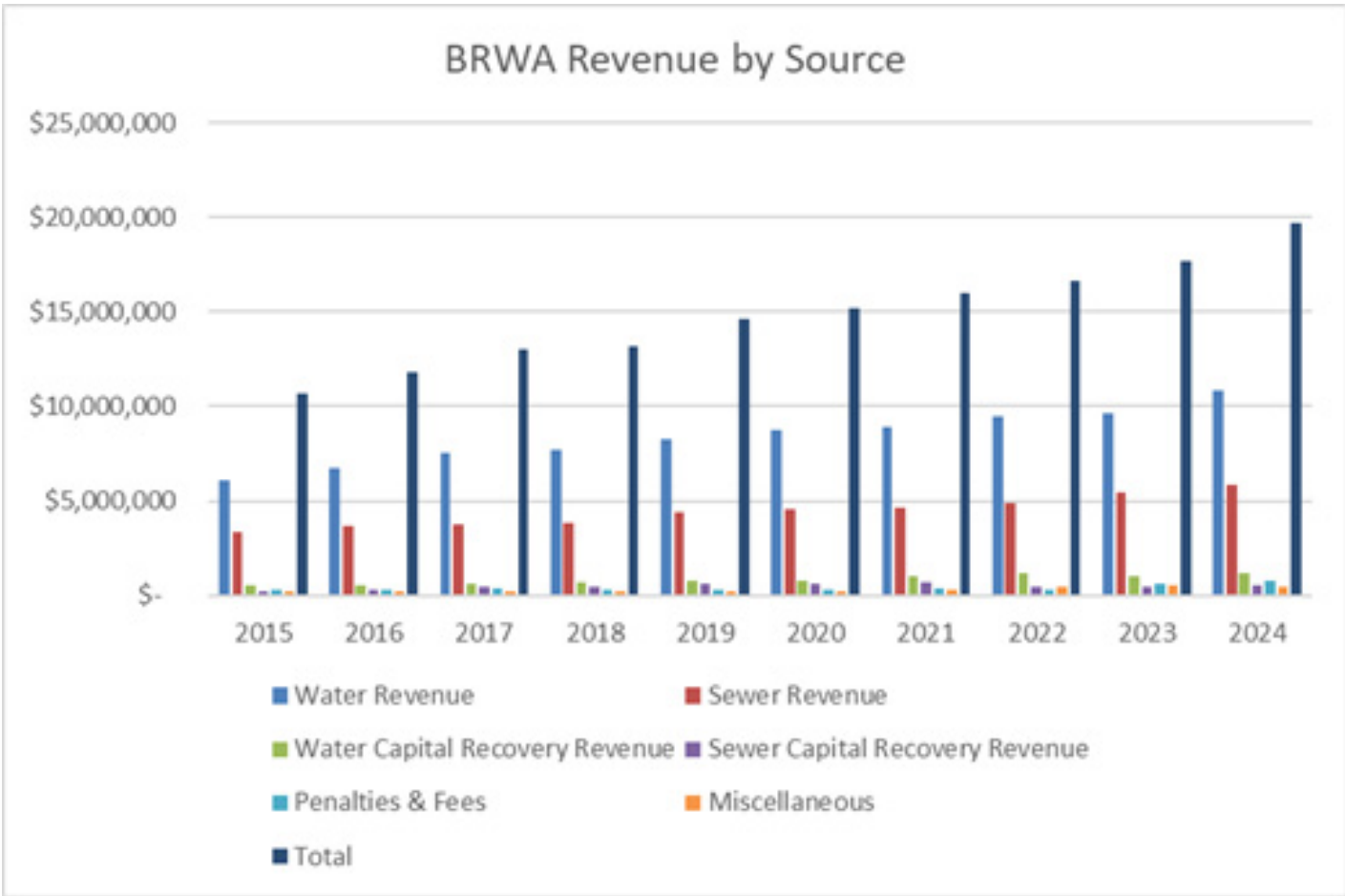


Supplemental Information

Revenue by Source

FY	Water Revenue	Sewer Revenue	Water Capital Recovery Revenue	Sewer Capital Recovery Revenue	Penalties & Fees	Miscellaneous	Total
2015	\$ 6,070,708	\$ 3,335,288	\$ 546,157	\$ 243,343	\$ 330,539	\$ 173,824	\$ 10,699,859
2016	\$ 6,756,704	\$ 3,699,411	\$ 529,700	\$ 277,400	\$ 310,556	\$ 207,354	\$ 11,781,125
2017	\$ 7,519,344	\$ 3,790,135	\$ 638,200	\$ 470,600	\$ 343,873	\$ 222,783	\$ 12,984,935
2018	\$ 7,662,156	\$ 3,849,032	\$ 664,000	\$ 436,900	\$ 328,835	\$ 242,575	\$ 13,183,498
2019	\$ 8,249,328	\$ 4,407,638	\$ 804,425	\$ 650,000	\$ 301,177	\$ 245,896	\$ 14,658,464
2020	\$ 8,753,627	\$ 4,538,020	\$ 756,450	\$ 575,500	\$ 315,531	\$ 239,934	\$ 15,179,062
2021	\$ 8,943,355	\$ 4,666,237	\$ 1,002,500	\$ 716,700	\$ 341,148	\$ 314,361	\$ 15,984,301
2022	\$ 9,470,884	\$ 4,846,172	\$ 1,157,100	\$ 431,400	\$ 254,404	\$ 482,946	\$ 16,642,706
2023	\$ 9,648,347	\$ 5,417,827	\$ 1,031,200	\$ 474,400	\$ 574,279	\$ 536,503	\$ 17,682,556
2024	\$ 10,857,288	\$ 5,888,861	\$ 1,193,570	\$ 561,680	\$ 742,895	\$ 429,506	\$ 19,673,800

Source: BRWA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024



## Supplemental Information

### Expense by Function

Fiscal Year	Water Systems	Sewer Systems	Employment Costs	General office and Departmental Expenses	Subtotal, Expenses before Depreciation and Amortization	Depreciation and Amortization	Total
2015	\$ 2,193,011	\$ 1,227,407	\$ 3,210,176	\$ 643,715	7,274,309	\$ 3,129,278	\$ 10,403,587
2016	\$ 2,209,621	\$ 1,274,345	\$ 3,723,314	\$ 1,409,285	8,616,565	\$ 3,154,534	\$ 11,771,099
2017	\$ 1,960,333	\$ 1,456,985	\$ 4,023,075	\$ 674,327	8,114,720	\$ 3,225,190	\$ 11,339,910
2018	\$ 1,783,950	\$ 1,339,282	\$ 4,188,962	\$ 755,521	8,067,715	\$ 3,448,753	\$ 11,516,468
2019	\$ 1,789,809	\$ 1,624,180	\$ 4,732,359	\$ 1,092,500	9,238,848	\$ 4,352,852	\$ 13,591,700
2020	\$ 1,809,069	\$ 1,548,189	\$ 5,291,180	\$ 854,544	9,502,982	\$ 4,409,312	\$ 13,912,294
2021	\$ 2,287,239	\$ 1,503,359	\$ 5,505,750	\$ 1,138,604	10,434,952	\$ 4,452,324	\$ 14,887,276
2022	\$ 2,465,518	\$ 1,470,044	\$ 5,834,768	\$ 1,488,621	11,258,951	\$ 4,726,631	\$ 15,985,582
2023	\$ 2,651,438	\$ 1,674,509	\$ 6,373,906	\$ 1,315,607	12,015,460	\$ 4,986,958	\$ 17,002,418
2024	\$ 2,556,963	\$ 1,824,347	\$ 7,075,760	\$ 1,549,307	13,006,377	\$ 5,422,659	\$ 18,429,036

Source: BRWA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024

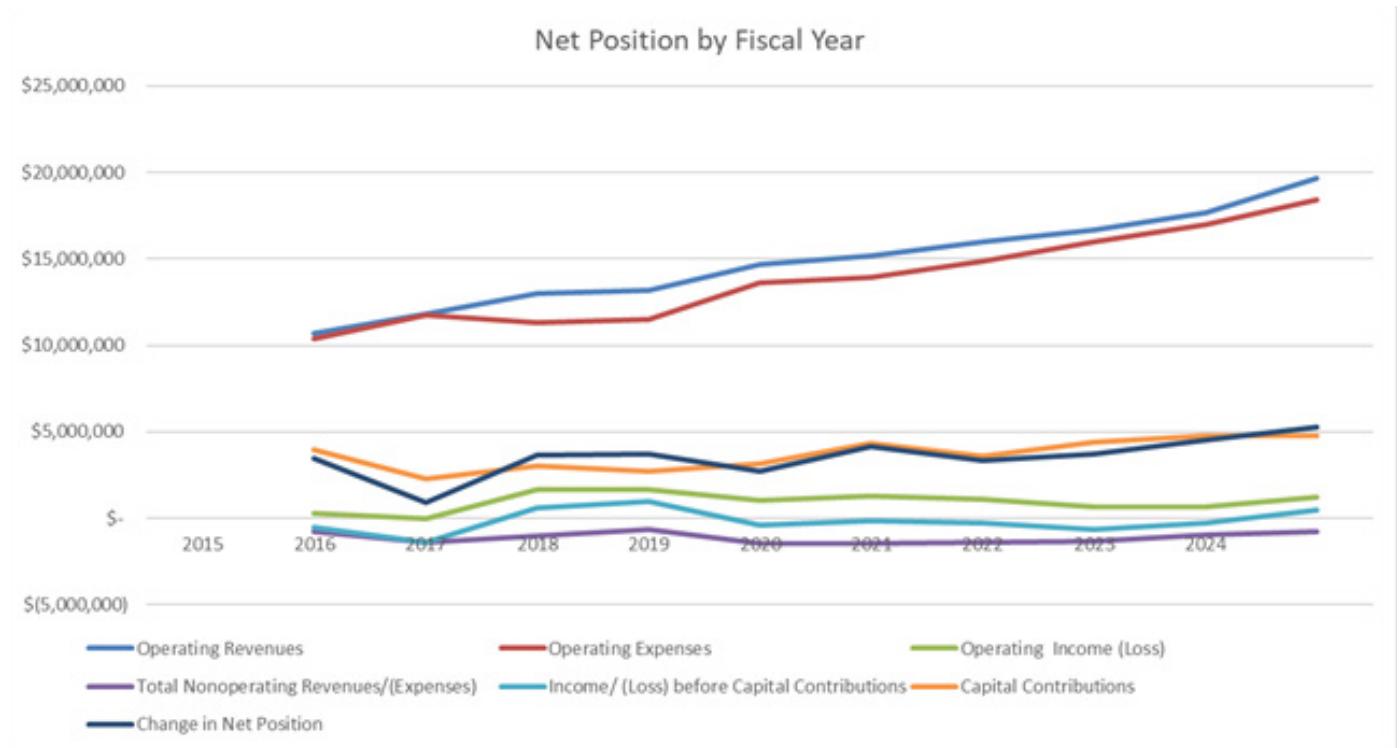
### Changes in Net Position

Fiscal Year	Operating Revenues	Operating Expenses	Operating Income (Loss)	Total Nonoperating Revenues/ (Expenses)	Income/ (Loss) before Capital Contributions	Capital Contributions	Change in Net Position
2015	\$ 10,699,859	\$ 10,403,587	\$ 296,272	\$ (793,906)	\$ (497,634)	\$ 3,949,363	\$ 3,451,729
2016	\$ 11,781,125	\$ 11,771,099	\$ 10,026	\$ (1,369,354)	\$ (1,359,328)	\$ 2,288,690	\$ 929,362
2017	\$ 12,984,745	\$ 11,339,910	\$ 1,644,935	\$ (1,042,911)	\$ 602,024	\$ 3,041,532	\$ 3,643,556
2018	\$ 13,183,498	\$ 11,516,468	\$ 1,667,030	\$ (669,425)	\$ 997,605	\$ 2,701,869	\$ 3,699,474
2019	\$ 14,658,464	\$ 13,591,700	\$ 1,066,764	\$ (1,479,597)	\$ (412,833)	\$ 3,129,186	\$ 2,716,353
2020	15,179,062	13,912,294	1,266,768	(1,428,317)	(161,549)	4,321,609	\$ 4,160,060
2021	15,984,301	14,887,276	1,097,025	(1,374,880)	(277,855)	3,606,977	\$ 3,329,122
2022	16,642,706	15,985,582	657,124	(1,329,520)	(672,396)	4,410,008	\$ 3,737,612
2023	17,682,556	17,002,418	680,138	(960,036)	(279,898)	4,788,152	\$ 4,508,254
2024	19,673,800	18,429,036	1,244,764	(748,980)	495,784	4,797,778	\$ 5,293,562

Source: BRWA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024

Non-operating Revenues (Expenses) is interest income (net of capitalized amounts in years 2015-2018).

GASB 89 was implemented in 2019



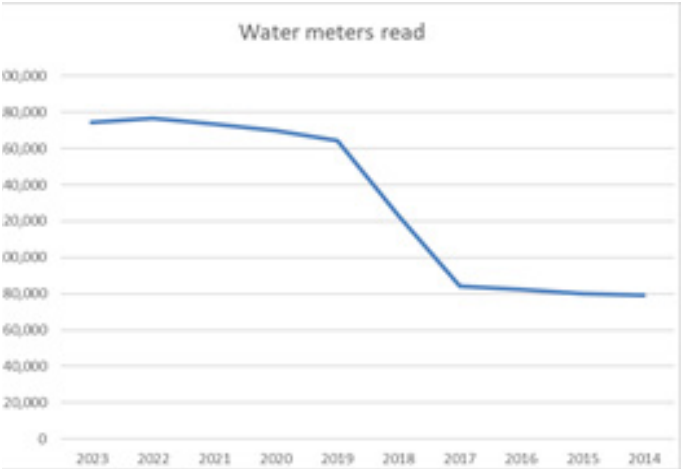
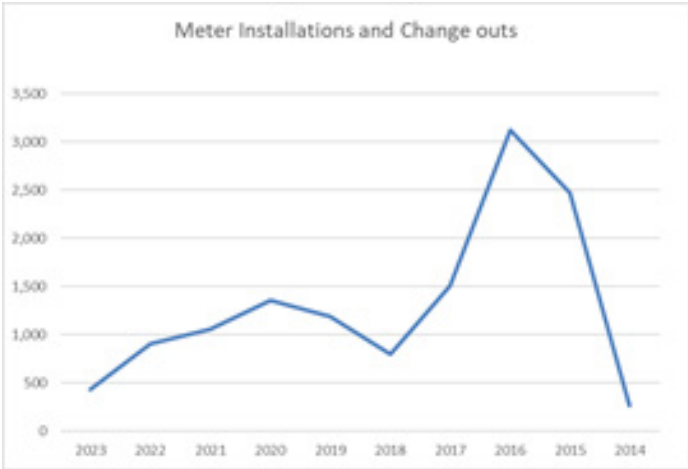
### County Demographic Data (Bedford Town and County)

<b>Year</b>	<b>Population</b>	<b>Per Capita Personal Income</b>	<b>Unemployment Rate</b>
2015	75,554	\$ 41,066	*
2016	74,898	\$ 41,066	4.4%
2017	74,898	\$ 41,307	4.1%
2018	77,724	\$ 42,082	3.9%
2019	78,747	*	2.9%
2020	78,997	\$ 46,707	7.6%
2021	78,997	\$ 46,707	4.1%
2022	80,131	\$ 34,565	3.4%
2023	80,848	\$ 36,891	2.9%
2024	78,965	*	3.1%

Source: BRWA Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024

Size of Service Area

Miles of water lines	404
Miles of sewer lines	161
Water pump stations	3
Sewer pump station	32
Water storage tanks	15
Wastewater Treatment Plants	5
Water Treatment Plants	5





## SELECTED GLOSSARY - TERMS AND ACRONYMS

**Accrual basis of accounting** - A basis of accounting under which increases and decreases in economic resources are recognized as soon as the underlying event or transaction occurs. Revenues are recognized when earned and expenses are recognized when incurred, regardless of the timing of related cash flows.

**Bedford Regional Water Authority** - BRWA- Formed on July 1, 2013 from the former utility department of the Town of Bedford and the Bedford County Public Service Authority.

**Annual Comprehensive Financial Report- ACFR** - A set of financial statements that comply with the accounting requirements promulgated by the Government Accounting Standards Board.

**American Water Works Association - AWWA** - Established in 1881, AWWA is the largest nonprofit, scientific and educational association dedicated to managing and treating water. AWWA develops standards that represent

**Asbestos Cement (AC) pipe** - A concrete pipe made of a mixture of Portland cement and asbestos fiber and highly resistant to corrosion.

**Authority** - A public agency which performs a specified range of services that are usually financed from fees or service charges.

**Budget** - A specified financial plan for the fiscal year that states the expenditures required to meet that plan of operations and identifies the revenue necessary to finance the plan.

**Capital Contributions** - Capital contributions are recorded for the receipt of funds, property, lines and improvements by developers (i.e developer dedications) , customers, or other governments.

**Capital Improvement Program - CIP** - ensures that capital improvements are coordinated, timed to maximize the Authority's financial resources, and promote a measured approach to long-range asset planning.

**Enterprise fund** - An enterprise fund is a proprietary type fund used to account for operations that are financed and operated in a manner similar to private business enterprises. The BRWA's intent is that the costs of providing goods or services to customers on a continuing basis be financed or recovered primarily through user charges.

**Equivalent Residential Connection - ERC** - a standardized unit used to measure the impact of a property's wastewater runoff on public facilities, compared to a typical single-family home.

**Fiscal year- FY** - a 12-month period designated as the operating year for accounting and budgetary purposes. The BRWA's fiscal year runs from July 1 through June 30.

**Generally Accepted Accounting Principles - GAAP** - accounting guidelines used to report financial information in a relevant and reliable manner

**Geographic Information System - GIS** - information system used to geographically locate areas with the BRWA service area.

**Government Finance Officers Association - GFOA** - association that represents public finance officials throughout the United States and Canada. The GFOA's mission is to advance excellence in public finance

**Inflow and infiltration (I&I)** - groundwater and stormwater that enter a sewer system

**Long term debt** - debt with a maturity of more than one year after the date of issuance

**Net position** - The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources. Net investment in capital assets represents capital assets, less accumulated depreciation, less any outstanding debt related to the acquisition, construction, or improvement of those assets. Net position is reported as restricted when there are limitations imposed on its use either through the enabling legislation adopted by the BRWA or through external restrictions imposed by creditors, grantors, or laws or regulations of other governments.

**Operating budget** - A financial plan for future operations based on estimated revenues and expenditures/expenses for a specific period.

**Operating expenditures (or expenses)** - Expenses which are directly related to the organization's primary activities.

**Operating revenues** - Revenues directly related to the BRWA's primary service activities and derived from user charges for services.

**Overflows** - overflows of the sewer system caused by the buildup of products within the wastewater pipes.

**Pump station** - Structure containing pumps, controls, valves, piping and electrical equipment for pumping water or wastewater from one place to another. In the water industry, a pump is used to pump water from the source to the customer or the storage tank, a sewer pump station is used to pump sewage from a wet well or manhole to another manhole at a higher elevation.

**Reserve** - Cash and investments accumulated to provide for contingencies and planned/unplanned major expenses.

# MISSION

To provide high quality water and wastewater services to the community

# VISION

Clean Water. Healthy Environment.  
Thriving Community.

# VALUES



COLLABORATION



ADAPTABILITY



RESULTS



ENTHUSIASM

*Providing quality service to everyone.*

