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**Bedford Water – Board of Directors  
Regular Board Meeting – Minutes  
April 21, 2026**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, April 21, 2026, 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  
Roger Blankenship – Director of Engineering  
Thomas Cherro – Director of Operations  
Megan Pittman – Director of Administration (virtually)  
Jill Underwood – Director of Finance

**1. Call to Order**

The meeting was called to order by the Chair at approximately 7:00 p.m. The Pledge of Allegiance and a moment of silence were conducted.

**2. Review of Agenda**

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

1. Call to Order
  - a. Pledge of Allegiance
  - b. Moment of Silence
2. Review of Agenda
3. Public Comments
4. Approval of Minutes: March 17, 2026 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
  - a. Financial Statements through month end March 2026
  - b. Finance Committee Summaries – 3/25/26 & 4/2/26
  - c. Draft FY 2026-2027 Operating Budget Presentation
  - d. Draft FY 2026-2027 Capital Budget Presentation (Rhonda English)
  - e. Resolution 2026-04.01 – Advertise Rates
6. Operations Report: Presented by Thomas Cherro
7. Administration Report: Presented by Megan Pittman
8. Projects Report: Presented by Roger Blankenship
9. Deputy Director Report: Presented by Rhonda English

10. Other business not covered on the above agenda
11. Closed Session Pursuant to Section 2.2-3711 A. 1 of the Code of Virginia, specifically for discussions related to personnel.
12. Motion to Adjourn

### 3. Public Comments

Ms. Nancy Leighton said she is not happy with the proposed rates, as rates at other entities are also increasing.

### 4. Approval of Minutes: March 17, 2026 – Regular Board Meeting

The regular Board Meeting Minutes from March 17, 2026, 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.

### 5. Financial Report: Presented by Jill Underwood

#### a. Financial Statements through month end March 2026

The Customer Service statistical report was included in the packet. The March budget goal was 75%, with operating revenues at 80% and operating expenses totaling 71%. Capital Recovery fees received this FY are 104% of the total budgeted amount; water is at 93%, and sewer is at 126%.

#### b. Finance Committee Summaries – 3/25/26 & 4/2/26

The Committee recommended that the presentation be given first, as it incorporates the Committee's discussion.

#### c. Draft FY 2026-2027 Operating Budget Presentation

Ms. Underwood gave an overview of the budget, including the proposed rate adjustments intended to support long-term growth and infrastructure. The impact is intended to be gradual for customers rather than sudden. There is a nationwide funding gap across the industry. The proposed rate increase is \$3 for water and \$3 for sewer, based on an average household with 4,000 gallons of usage. The capital recovery fee is also proposed to be increased to better align with the actual cost of drilling a well or installing a septic system. The last time it was increased was in 2021. The board discussed comparing rates with neighboring localities. Lynchburg Water Resources and Western Virginia Water Authority have lower rates and capital fees, while Campbell County Utility Service Authority is similar to Bedford Water. The board discussed the impact of raising the capital recovery fees.

Ms. Underwood ran another scenario that would generate the same revenue. This would include capital recovery fees of \$6,000 for water and \$7,000 for sewer, commodity fees of \$7.50 for water and \$9.50 for sewer, and a \$33 fixed base cost. This would increase the base rate by \$2, and the commodity by \$0.75. Mr. Key suggested advertising at slightly higher rates, since rates can always be brought down after the advertisement, not raised, and this would allow staff to conduct another analysis and meet with the Finance Committee before the May board meeting. The board agreed on advertising rates with a commodity fee of \$8 for water and \$10 for sewer, \$34 base charges for both water and sewer, and capital recovery fees of \$6,000 for water and \$7,000 for sewer.

#### d. Draft FY 2026-2027 Capital Budget Presentation (Rhonda English)

Ms. English reviewed the CIP projects scheduled for the budget year. She also shared that DEQ has backed off on some of the projects in the consent order. There are still a few million dollars worth of projects that will be required. An item not listed

that will be coming up is the beginning of designing a new facility for staffing at the main office complex, since space is almost running out. Ivy Creek has only 900 feet left before the project is completed.

e. **Resolution 2026-04.01 – Advertise Rates**

In order for the new rates to be effective on June 1, 2026, as will be seen on all bills sent out after June 30, 2026, a public hearing will need to be held on May 19<sup>th</sup> of this year. There is an advertising period that is required prior to the hearing, and this resolution authorizes the public notice which initiates this process.

At a regular meeting of the Bedford Regional Water Authority (“Bedford Water”) Board of Directors, held in the Board Meeting Room at Bedford Water’s Annex Building on the 21<sup>st</sup> day of April 2026, beginning at 7:00pm:

**WHEREAS**, Bedford Water is required to advertise and hold a public hearing prior to the approval of any rate changes; and,

**WHEREAS**, Bedford Water is in the process of preparing a draft budget for the Fiscal Year 2026-2027, and the rates necessary for the proposed revenues to exceed the proposed expenditures are included in the rates being proposed for advertisement; and,

**WHEREAS**, Bedford Water intends to post notice of the proposed rates on April 29, 2026 and May 6, 2026 in a newspaper of general circulation, to send copy of the notice to the governing bodies of Bedford County and the Town of Bedford, and to hold a public hearing on the new rates on May 19, 2026; now,

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

On behalf of the Finance Committee, Member Gray made a motion to approve this resolution as amended. Being a motion from a committee, a second motion was not needed.

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

**6. Operations Report: Presented by Thomas Cherro**

Mr. Cherro stated that adding an electrician to the Facility Maintenance crew has been beneficial; he was able to get a train running at Moneta WWTP that hadn’t been operational for years. The CIP crew has completed the line replacement at Baltimore; they will be starting at Walnut next. All the new asphalt patches have been caught up in Town. The Turkey Mountain Booster Station is almost up and running. A DEQ consent order has been issued for Staunton River; the school will be fined \$8,400. New UV lights will be installed to help manage this plant.

**7. Administration Report: Presented by Megan Pittman**

Ms. Pittman reported on the news articles included in the packet. Bedford Water partnered with the Smith Mountain Lake Association and Bedford County Schools at Lake Days, which generated significant media coverage. There have also been smaller-scale tours; in particular, a college tour was held, and a few participants expressed interest in working at the plant after visiting. The HR team is also working on new recruitment events and tactics to help attract candidates. This past week, our insurance provider’s safety person conducted a mock OSHA visit to help prepare our staff for future visits and identify areas for improvement.

**8. Projects Report: Presented by Roger Blankenship**

Mr. Blankenship summarized the projects in the board packet. The proposals for consultant engineering term contracts have been reviewed and narrowed down to eight candidates for interviews, and he anticipates executing eight term contracts following the

interview process. The department also hired a new Construction Technician who is scheduled to start May 4th.

**9. Deputy Director Report: Presented by Rhonda English**

Winoa has been completed, and seems to be functioning well. To expand on the consent order, the public notice period from May 4 to June 3 must be completed. The order will be finalized after that. At Ivy Creek, the contractor is almost off the restricted easements, except for a small parcel adjacent to the lift station for which the owner has granted permission to extend the time.

**10. Other Business not covered on the above agenda**

There is helpful information in the Dropbox Board packets folder for the board to view about long term challenges the industry is facing.

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

Member Gray moved that the Board of Directors go into Closed Meeting pursuant to Section 2.2-3711 A.1 of the Code of Virginia (1950), as amended. Member Rush seconded the motion.

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

- The board entered into closed session at approximately 9:17 pm.

At approximately 9:42pm Member Sharp moved that the board exit closed session and return to open session. Member Rush seconded the motion.

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

- Member Barger moved that the Board of Directors take a roll call vote certifying that to the best of the member's knowledge only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act and only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the meeting by the public body.

- Board member votes:
  - Aye: Bob Flynn, Jay Gray, Donald Barger, Jr., Kevin Mele, Michael Moldenhauer, Steve Rush, John Sharp
  - Nay: None
  - The motion passed.

**12. Motion to Adjourn:**

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

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

The meeting adjourned at approximately 9:46pm.