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**Bedford Water – Board of Directors  
Regular Board Meeting – Minutes  
May 19, 2026**

A regular meeting of the Board of Directors of the Bedford Regional Water Authority (“Bedford Water”) was held on Tuesday, May 19, 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  
Megan Pittman – Director of Administration  
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 Hearing for Rate Adjustments
  - a. Open Public Hearing
  - b. Presentation about Rates: Presented by Jill Underwood
  - c. Public Comments about Rates
  - d. Close Public Hearing
4. Public Comments for all issues other than the public hearing
5. Budget and Rates
  - a. Presentation of the Operation Budget: Jill Underwood
    - i. Summary of April 29, 2026 Finance Committee Meeting
  - b. Presentation of the Capital Improvement Projects Budget: Rhonda English
  - c. **Resolution 2026-05.01**: Rate Policy 2.00
  - d. **Resolution 2026-05.02**: Rate Information Policy 2.01
  - e. **Resolution 2026-05.03**: FY 2026-2027 Operating Budget
  - f. **Resolution 2026-05.04**: FY 2026-2027 Capital Improvement Projects
6. Approval of Minutes: April 21, 2026 – Regular Board Meeting

7. Financial Report: Presented by Jill Underwood
  - a. Financial Statements through month end April 2026
8. Administration Report: Presented by Megan Pittman
9. Projects and Operations Report: Presented by Rhonda English and Roger Blankenship
  - a. Review of Reports
  - b. **Resolution 2026-05.05**: Engineering Term Contract Agreements
10. Executive Report: Presented by Brian Key
11. Other business not covered on the above agenda
12. Motion to Adjourn

### **3. Public Hearing for Rate Adjustments**

#### **a. Open Public Hearing**

The public hearing opened at 7:01 pm.

#### **b. Presentation about Rates: Presented by Jill Underwood**

The presentation was focused on the rates and the changes made based on the feedback from the last board meeting. Details of this recommendation are in item 5.a.i.

#### **c. Public Comments about Rates**

Spencer Bobbitt, a resident on Mountain Water Drive and a local business owner and developer, asked questions about the capital recovery fees and the specific rates. He said he understands that costs are rising and yet wanted to express that the capital fees are not actually passed along to the homeowner but rather borne by the developer.

Ms. Leighton said that the price increases are grim and all prices are going up.

Mr. Flynn shared that Bedford Water is far behind in replacement and repair costs that it is staggering. The board's approach has been to do small increases over time to avoid a large rate increase at once. Mr. Key emphasized that Bedford Water needs to replace approximately \$6 million in assets each year to be on track to replace failing assets every 100 years.

#### **d. Close Public Hearing**

The public hearing closed at 7:22 pm.

### **4. Public Comments for all issues other than the public hearing**

Mr. Kyle Cooley, a Bedford Water CIP Technician, introduced himself and shared his work history.

### **5. Budget and Rates**

#### **a. Presentation of the Operation Budget: Jill Underwood**

##### **i. Summary of April 29, 2026, Finance Committee Meeting**

The proposed expenditure budget was discussed, and no changes were recommended by the Committee. The focus was on revenue and proposed rate increases. They discussed increasing Board compensation and tying those increases to the total staff salary increase approved each fiscal year. The bylaws need to be updated to accommodate this change.

The Committee reviewed the impact of advertised rates vs. an alternative option that provides the requested CIP funding, with a smaller impact on the base and commodity rates. The advertised rates would yield an additional \$1M for CIP funding, however, staff and building capacity needs are not adequate for this option.

The alternative option includes the following proposed rates:

- Water and sewer base charges \$2 increase for each per month (with the exception of Paradise Point Water and Cedar Rock sewer, which have a proposed increase of \$4/month)
- Water and sewer commodity rates increase of \$0.75/1,000 gallons
- Water Capital recovery (5/8") increase of \$1,000
- Sewer Capital recovery (5/8") increase of \$1,100

This option provides \$1,935,486 available for capital funding. The Committee also discussed salary increases to retain and attract staff.

Mr. Sharp recommended that salary increases be based on the CPI, citing 3.8%, and that they not outpace inflation. He also said that he did not think the capital recovery costs should increase the amount either.

b. Presentation of the Capital Improvement Projects Budget: Rhonda English

There were two options presented to the Committee for the CIP:

1. Option 1- Infrastructure Planning & Data Visualization, totaling \$1,934,500
2. Option 2- Planning for Facility Expansion, totaling \$1,964,500

The Committee recommended Option 2. Ms. English walked through the presentation included in the packet and explained the proposed projects along with historical data.

c. **Resolution 2026-05.01: Rate Policy 2.00**

This resolution was necessary to adopt the rates and support the FY 2027 operating budget presented earlier. The rate change schedule was presented during the rate hearing portion of the meeting, including the required rate advertisements. The Finance Committee met on April 29, 2026, where they discussed the rates, including lowering the base and commodity rates from what was advertised. Documentation is included in the packets, including the advertised rates and the Finance Committee's recommendation.

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 Administrative Annex Building on the 19<sup>th</sup> day of May 2026, beginning at 7:00 p.m.:

**WHEREAS**, the Bedford Regional Water Authority ("Bedford Water") is a public service authority formed and existing in accordance with the provisions of Chapter 51 of Title 15.2 of the Code of Virginia, 1950, as amended, the Virginia Water and Waste Authorities Act §§ 15.2-5100-15.2-5159 (the "Act"); and,

**WHEREAS**, Bedford Water desires to have a comprehensive set of policies governing the manner in which Bedford Water conducts its regular business, and Bedford Water directs that these policies be grouped together into an operating policy manual; and,

**WHEREAS**, to provide sufficient revenue to cover all of the expenditures that are included in the proposed FY 2026-2027 operating budget, certain changes have been proposed to the schedule of rates and charges; and,

**WHEREAS**, Bedford Water has provided sufficient notice in the Bedford Bulletin on April 29, 2026 and May 6, 2026 and conducted a public hearing on Tuesday, May 19, 2026 to solicit public comments on the proposed changes to the schedule of rates; and,

**WHEREAS**, the Board of Directors of Bedford Water has reviewed the proposed changes to the schedule of rates and rate information and desires to implement these changes; now,

**THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Bedford Regional Water Authority does hereby adopt the revised Rate Policy 2.00 as presented and further authorizes the Executive Director to proceed with implementing the rates as properly advertised. The new rates will be effective on June 1, 2026 as will be billed in the statements sent after June 30, 2026.

Member Mele made a motion to approve this Resolution.

Member Moldenhauer made a Second to approve.

Board Member Votes: 4 Aye 3 Nay 0 Abstain. The motion carried.

d. **Resolution 2026-05.02:** Rate Information Policy 2.01

With the Board approving Resolution 2026-05.01 for the rates, modifications are needed to the 2.01 Rate Information policy; some of the changes proposed include the following:

- Addition of a Cross Connection Control Program Fee: This fee is charged for the processing and administrative costs when a certified tester fails to upload their backflow test results directly with the third-party vendor and instead mails or submits them directly to Bedford Water for manual entry.
- Unauthorized Connection and Tampering fee: update fee for second and third (subsequent) events.

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 Administrative Annex Building on the 19<sup>th</sup> day of May 2026, beginning at 7:00 p.m.:

**WHEREAS**, Bedford Water is a public service authority formed and existing in accordance with the provisions of Chapter 51 of Title 15.2 of the Code of Virginia, 1950, as amended, the Virginia Water and Waste Authorities Act §§ 15.2-5100-15.2-5159 (the “Act”); and,

**WHEREAS**, Bedford Water desires to have a comprehensive set of policies governing the manner in which Bedford Water conducts its regular business, and directs that these policies be grouped together into an operating policy manual; and,

**WHEREAS**, with the approval of the Rates Policy 2.00 with Resolution 2026-05.01, changes are needed to the Rate Information Policy 2.01; and,

**WHEREAS**, there is considerable extra work that is performed by the wastewater department when backflow test results are submitted to Bedford Water by a certified tester instead of directly with the third-party vendor and therefore a Cross Connection Control Program Fee has been added; now,

**THEREFORE, BE IT RESOLVED** by the Board of Directors of the Bedford Regional Water Authority that the changes to the Rate Information Policy 2.01 are hereby adopted.

Member Moldenhauer made a motion to approve this Resolution.

Member Mele made a Second to approve.

Board Member Votes: 6 Aye 1 Nay 0 Abstain. The motion carried.

e. **Resolution 2026-05.03:** FY 2026-2027 Operating Budget

Discussion about the budget was held earlier in the meeting.

At a regular meeting of the Bedford Regional Water Authority (“Bedford Water”) Board of Directors, held in the Board Meeting Room at the Administrative Annex Building on the 19<sup>th</sup> day of May 2026, beginning at 7:00 p.m.:

**WHEREAS**, the Board of Directors of Bedford Water has been presented with the FY 2026-2027 Budget, with a summary indicating Total Revenues in the amount of \$22,999,862 and Cash Operating Expenses in the amount of \$18,644,376 and Total Expenditures (including depreciation) in the amount of \$24,344,376 (the “Operating Budget Summary”); and,

**WHEREAS**, in support of the Operating Budget Summary, a Detailed Report of Revenues and Expenditures for FY 2026-2027 (the “Line-Item Budget”) has been submitted to the Board indicating line-item expenditures within the categories contained in the Operating Budget Summary; and,

**WHEREAS**, the Finance Committee of the Board of Directors has thoroughly reviewed this information and recommends that Bedford Water approve the Operating Budget as presented; now,

**THEREFORE, BE IT RESOLVED**, that after careful consideration of Bedford Water’s fiscal position, its anticipated revenues, its necessary expenses, as well as its bond covenants, the Board of Directors of Bedford Water does hereby:

- 1) approve the Fiscal Year 2026-2027 Line-Item Budget, and thereby authorize and appropriate the Total Expenditures contained in the Operating Budget Summary subject to receipt of the Revenues estimated therein; and;
- 2) authorize the Executive Director to move items with discretion within the Operating Budget Summary Categories from line item to line item, consolidate or delete line items, and otherwise spend funds in the Operating Budget Summary categories without further action on the part of the Board; and,
- 3) require that the Executive Director ensure that a report of the Revenues and Expenditures be made to the Board at its regular meetings and more often if requested.

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

Board Member Votes:   5   Aye   2   Nay   0   Abstain. The motion carried.

f. **Resolution 2026-05.04: FY 2026-2027 Capital Improvement Projects**

Discussion about the CIP was held earlier in the meeting.

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 Administrative Annex Building on the 19<sup>th</sup> day of May 2026, beginning at 7:00 p.m.:

**WHEREAS**, the Board of Directors of Bedford Water approved the Fiscal Year 2026-2027 Operating Budget (“Operating Budget”) with resolution 2026-05.03, with Total Revenues in the amount of \$22,999,862 and Cash Operating Expenses in the amount of \$18,644,376; and,

**WHEREAS**, the total operating coverage minus replacement capital as of July 1, 2026 is projected to be \$ 1,935,486; and,

**WHEREAS** the Finance Committee has reviewed the complete listing of proposed purchases and projects expenditures, and have recommended approval to the Board of Directors; now,

**THEREFORE, BE IT RESOLVED**, that the Board of Directors of Bedford Water does hereby approve of proceeding with the FY 2026-2027 Capital Improvement Projects presented in the amount of \$1,964,500 with the specific authorization given to the Executive Director to add, delete, or reprioritize the items on the presented project listing as long as the total amount of the capital expenditures does not exceed the amount listed above without further board action.

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

Board Member Votes:   4   Aye   3   Nay   0   Abstain. The motion carried.

6. **Approval of Minutes:** April 21, 2026 – Regular Board Meeting

The regular Board Meeting Minutes from April 21, 2026, were reviewed.

Member Rush made a motion to approve the minutes.

Member Moldenhauer seconded the motion.

- Board member votes:   7   Aye;   0   Nay;   0   Abstain. The motion carried.

7. **Financial Report: Presented by Jill Underwood**

a. Financial Statements through month end April 2026

The Customer Service statistical report was included in the packet. The budget goal for April was 83%, with operating revenues at 88% and operating expenses totaling 78%. Capital Recovery fees received this FY are 126% of the total budgeted amount;

water is at 112%, and sewer is at 153%. Work on the audit will begin in about a month.

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

Ms. Pittman reviewed the articles in the board packet, including those on Lake Days, job fairs, and a nomination for the Bedford Chamber Excellence in Business Awards. Outreach events have continued to grow, and an Ambassador Program has been created to help others outside the Communications team support these events.

Ms. Pittman gave an update that VOSH is focusing on public utilities more and that they recently visited the Smith Mountain Lake Water Treatment Facility twice.

She also shared that a new Emerging Leaders program has begun for staff who want to improve their leadership skills and, hopefully, be better prepared for future leadership opportunities.

**9. Projects and Operations Report: Presented by Rhonda English and Roger Blankenship**

**a. Review of Reports**

Zinc issues continue at the Moneta Wastewater Plant, resulting in some violations. A capital project to replace the headworks at the Central Wastewater Plant is in progress. Restoration of pavement cuts have been mainly caught up. The Ivy Creek 30-inch sewer line has been completed; there is still one manhole to test, and they are setting up bypass pumping to complete the connections, but the project is nearing the end. Bedford Electric is working to pull the third phase of power to the Winoa lift station.

Mr. Blankenship said the Route 43 project is next in the CIP group's queue. The Turkey Mountain Booster Station is having its final SCADA troubleshooting. This project supports customers in that area and will provide a secondary water source to them if the Central Water Plant is offline. The Central Water Phase 1 electric is under construction with a September completion date. The GAC building is complete; the garage doors and electrical needs to be installed. The Western Hills Sewer Phase 1 project grant details were provided, and an initial meeting was scheduled with EPA to discuss next steps.

Mr. Key said the Montvale transfer is in the State Corporation Commission's (SCC) hands. The hope is to get approval in the last week of May or the first week of June. The goal is to take ownership on June 15<sup>th</sup>, customers would be billed for the first time on June 30<sup>th</sup>

**b. Resolution 2026-05.05: Engineering Term Contract Agreements**

In anticipation of the engineering term contracts expiring on May 18, 2026, a Request for Proposals (RFP) was issued on March 9, 2026, and closed on April 3, 2026.

Twelve Proposals were received in response to the RFP; the proposals were vetted and ranked, resulting in a short list of 8 consultants that were interviewed for potential contracts. The consultants interviewed are listed below:

- AH Engineering Consultants
- Blue Ridge Engineering & Construction Services
- Hazen & Sawyer
- Lumsden Associates

- Mattern & Craig
- Short, Elliott Hendrickson Inc. (SEH)
- Whitman Requardt & Associates (WRA)
- Wiley|Wilson

The new term contracts will be one-year contracts, and the contract(s) may be renewed for up to three (3) successive one-year terms, permitting a possible maximum contractual term of four (4) years. Staff is recommending issuing contracts to all eight (8) firms; this will give Bedford Water the flexibility to select the best-suited consultant for each project. Several of the firms provide more expertise in specific areas, and some are smaller firms with the potential for better cost efficiency on smaller projects.

At a regular meeting of the Bedford Regional Water Authority (“Authority”) Board of Directors, held in the Board Meeting Room at the Authority’s Administrative Annex Building on the 19<sup>th</sup> of May 2026, beginning at 7:00pm

**WHEREAS**, the Engineering department received Proposals to Provide Engineering Services from twelve (12) engineering firms; and,

**WHEREAS**, a staff selection committee comprised of Rhonda English, Roger Blankenship, Thomas Cherro, and Jared Dean thoroughly reviewed and ranked each proposal based on criteria published in the Request for Proposals. The selection committee interviewed eight (8) of the highest scoring firms; and,

**WHEREAS**, the selection committee recommends Agreements for Engineering Services under a Term Contract be entered with all eight (8) firms interviewed; now,

**THEREFORE, BE IT RESOLVED** that the Board of Directors does hereby authorize the Director of Engineering to enter into Agreements and to renew annually for up to three (3) successive one-year terms, permitting a possible maximum contractual term of four (4) years, with AH Environmental Consultants, Blue Ridge Engineering & Construction Services, Hazen & Sawyer, Lumsden Associates, Mattern & Craig, Short Elliott Hendrickson Inc., Whitman Requardt & Associates, and Wiley|Wilson for Engineering Services under a Term Contract.

This resolution shall take effect immediately.

Member Gray made a motion to approve this Resolution.

Member Mele made a Second to approve.

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

**10. Executive Report: Presented by Brian Key**

An article from the American Water Works Association (AWWA) was included in the board packets discussing the cost and the need for extensive infrastructure replacement nationwide.

Mr. Key said he would have his goals for the board next month. Most likely, they will be five-year goals to best plan for the future.

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

No other business was discussed.

**12. Motion to Adjourn:**

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

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

The meeting adjourned at approximately 8:45 pm.

Prepared by Megan Pittman – Director of Administration  
Approved: June 16, 2026