BEDFORD WATER

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Bedford Water – Board of Directors
Regular Board Meeting – Minutes
June 16, 2026

A regular meeting of the Board of Directors of the Bedford Regional Water Authority ("Bedford Water") was held on Tuesday, June 16, 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 (virtually)
Donald Barger, Jr.
Kevin Mele
Steve Rush
John Sharp

Members Absent:............ Michael Moldenhauer

Staff & Counsel Present:. Brian Key – Executive Director
Rhonda English – Deputy Director
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: May 19, 2026 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
   a. Financial Statements through month end May 2026
6. Operations Report: Presented by Thomas Cherro
7. Administration Report: Presented by Megan Pittman (remote)
8. Projects Report: Presented by Rhonda English
9. Executive Report: Presented by Brian Key
   a. **Resolution 2026-06.01** Policies
   b. Montvale Water Status Report
   c. Discussion about Goals
   d. July 21, 2026 Board Meeting
10. Other business not covered on the above agenda
11. Motion to Adjourn

3. Public Comments

There were no public comments.

4. Approval of Minutes: May 19, 2026 – Regular Board Meeting

The regular Board Meeting Minutes from May 19, 2026, were reviewed.

Member Mele made a motion to approve the minutes.

Member Barger seconded the motion.

- Board member votes: 6 Aye; 0 Nay; 0 Abstain. The motion carried.

5. Financial Report: Presented by Jill Underwood

a. Financial Statements through month end May 2026

The Customer Service statistical report was included in the packet. The budget goal for May was 92%, with operating revenues at 97% and operating expenses totaling 85%. Capital Recovery fees received this FY are 188% of the total budgeted amount; water is at 159%, and sewer is at 246%. Bedford Water received $1,053,700 more than the budgeted amount for the fiscal year, through May. In the last week of May, 59 connections were paid. All debt service for the fiscal year has been paid. Work on the audit has begun.

6. Operations Report: Presented by Thomas Cherro

The OpenGov task report was included in the packet. The Winoa pump station is online, with a few items left to complete the project. The Walnut Street waterline installation is almost finished. The Central Wastewater Treatment Plant has begun contracted work on the headworks; some of the work will be delayed until August due to equipment backorders. The GAC building still needs the garage doors installed; electrical work is being done in-house. The raw water intake is still being troubleshot; a company is coming to pull pump number one again to see if it is underperforming due to its screen.

7. Administration Report: Presented by Megan Pittman

Ms. Pittman reported on the news articles included in the packet, mentioning the drought, the DEQ violations, and the need for the Ivy Creek Sewer project. She also mentioned the Montvale signing event on Monday and the Spring Fling event held at the end of May. She reported on the VOSH inspection results. The board discussed the drought restrictions mandated by DEQ. The Drought Response and Water Conservation Plan is a board-approved policy, and some language may need to be changed, though DEQ would have to be involved in reviewing it. The board decided not to pursue reviewing the policy.

8. Projects Report: Presented by Rhonda English

The requirements due by June 30 as part of the DEQ consent order have been met, and the Ivy Creek Project is nearly complete. VDH has approved the statistical sampling for the Lead Service Line (LSL) inventory, resulting in a reduced number of potholes to be done. There are around 1,000 potholes that need to be performed between the Town and Forest, and Montvale still needs to be assessed. The CIP report is almost finalized; Ms. English is working to complete the reserve account information. The Utility Locator Supervisor, who has been with Bedford Water for 25 years, has resigned.

9. Executive Report: Presented by Brian Key

a. **Resolution 2026-06.01** Policies

There are five policies that staff is recommending for approval with this resolution.

1) Policy 2.40 Adjustments: Changes were modified to address large leak accounts, add an explanation of base charges and penalties, and clarify eligibility

2) Policy 10.10 Purchasing: Clarified the use of term contractors in obtaining quotes and modified to increase the amount allowed for used equipment purchases

3) Policy 10.12 Purchasing Cards: Modified to update credit limits for staff.

4) Policy 10.33 Reserve Accounts: The Account Managers changed for many of the accounts to reflect new positions or changes in practices. Clarification was provided for the use of IT/OT Replacement Account 1001-0030 to purchase replacements for the access and security systems.

5) 20.11 Leave: Revised to specify half and full days for PTO for managers rather than hours.

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 16th day of June 2026, beginning at 7:00 p.m.:

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

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

WHEREAS, staff are recommending minor changes to the following list of policies:

- Policy 2.40 Adjustments
- Policy 10.10 Purchasing
- Policy 10.12 Purchasing Cards
- Policy 10.33 Reserve Accounts
- Policy 20.11 Leave

NOW, THEREFORE, BE IT RESOLVED, that the Board of Directors of the Bedford Regional Water Authority does hereby approve of the changes and additions presented to the Board for the policies listed above.

Member Mele made a motion to approve this Resolution.

Member Barger made a Second to approve.

Board Member Votes: __6__Aye __0__Nay __0__Abstain. The motion carried.

b. Montvale Water Status Report

There was a Montvale signing event on Monday to transfer Montvale Water to Bedford Water. Bedford Water is still waiting on the final order of approval from the State Corporation Commission (SCC), so the paperwork will not be filed until the official approval is received. However, Bedford Water is now completely running the system, including billing customers. The loan payoff amount is in an escrow account until the transfer is official.

c. Discussion about Goals

At a previous meeting, the board asked Mr. Key to produce a list of goals for the next year. Mr. Key walked through the goals he created, and the board discussed them; these are high-level strategic goals for the entire company. The board asked him to proceed with pursuing these goals.

d. July 21, 2026 Board Meeting

Traditionally, the July board meeting has been canceled because of a light agenda at the start of the fiscal year.

Member Rush made a motion to approve to cancel the July meeting.

Member Mele made a Second to approve.

Board Member Votes: __6__ Aye __0__ Nay __0__ Abstain. The motion carried.

10. Other Business not covered on the above agenda

Mr. Key attended a National Association of Clean Water Agencies (NACWA) Region 3 roundtable meeting. Some members are major providers with 1.5 million customers and a $182M CIP budget, and are experiencing similar problems to those Bedford Water is facing, just on a different scale. The need to fund more replacement projects is not one that is unique to Bedford Water; most water utilities in America are not investing enough to replace infrastructure before the end of the asset's useful life.

Mr. Flynn and Mr. Key have been asked to give a presentation to the Bedford County Economic Development Authority in August.

11. Motion to Adjourn:

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

Board Member Votes: __6__ Aye, __0__ Nay, __0__ Abstain. The motion carried.

The meeting adjourned at approximately 8:35 pm.

Prepared by Megan Pittman – Director of Administration
Approved: August 18, 2026