



---

**Bedford County Public Service Authority – Board of Directors  
Regular Board Meeting – Minutes  
October 18, 2011**

A regularly scheduled meeting of the Board of Directors of the Bedford County Public Service Authority (“Authority”) was held on Tuesday, October 18, 2011 in the Board Meeting Room in the Authority’s Annex building located at 1723 Falling Creek Road in Bedford County.

Members Present:..... Jerry Falwell, Jr. – District 5 – Chairman  
Carl Wells – District 3 – Vice Chairman  
Gerald Foutz – District 1  
Bob Flynn – District 2  
Annie Pollard – District 6  
Thomas Segroves – District 7

Members Absent:..... Roger Hessenius – District 4

Staff Present: ..... Brian Key – Executive Director  
Jill Underwood – Financial Manager  
Megan Rapp – Administrative Assistant

**1. Call to Order:**

The meeting was called to order by the Chairman at 7:00 pm.

**2. Review of Agenda:**

The following agenda was reviewed as shown below:

1. Call to Order
2. Review of Agenda
3. Public Comments
4. Approval of Minutes: September 20, 2011 – Regular Board Meeting
5. Financial Report: Presented by Jill Underwood
  - a. Financial Statements through month end September 2011
6. Director’s Report: Presented by Brian Key
  - a. Project Activity Reports
  - b. Customer Service Statistical Summary
  - c. Strategic Planning
  - d. Resolution 201110-01: Credit Card Policy Revision
  - e. Resolution 201110-02: Stewartsville Sewer Feasibility Study
  - f. Financial Evaluation of SML to Forest Water Project
  - g. Camp24 Property
7. Other business not covered on the above agenda
8. Motion to Adjourn

**3. Public Comments**

There were no speakers present during the public comment period.

**4. Approval of Minutes:**

- a. The regular Board Meeting Minutes from September 20, 2011 were reviewed.

Mr. Foutz made a motion to approve the minutes as written. Mr. Segroves seconded the motion.

- Board member votes: 6 Aye 0 Nay. The motion passed.

**5. Financial Report:**

Jill Underwood, Financial Manager, presented the following information.

- a. Mrs. Underwood reviewed some of the details pertaining to the financial reports for the period ending September 2011. The targeted budget goal for September was 25%; operating revenues were below at 22%, and operating expenditures were also below at 20%. The cash expense account shows a negative balance because the three vehicles that were sold last month have not been retired out of fixed assets. Once they have been retired the negative balance will be fixed. On page 5 for the current maturities for long-term debt the balance (\$182,000) is lower than last month. All of the principal payments on the debt have been made for the year except for the City of Lynchburg which is due in June. The VRA payments principal is paid in October and interest only is paid in April. Facility fees for September were at \$16,500, which equates to 19% for the year; this is below the year to date goal. Page 4 shows the payment from the Board of Supervisors that came in during September for the debt payment that was made October 1. Page 4 also indicates there was one small developer dedication in September. On page 5 for accounting services that account is showing as 87% since the Authority has paid for the full expense of the audit and the only expenses left from that account are the review fee to GFOA and arbitrage calculations, if any are required for this year. The cash flow is showing a transfer in of \$55,000 because the PSA changed banks in September 2010 from First Citizens to SunTrust. The majority of cash has been transferred to SunTrust, but there is still about \$500 left in First Citizens. This cash is for a few checks that are outstanding that need to go back to the state for unclaimed property and the state's remittance period is not until next November. There is no capital report this month because there were no capital projects paid for in the month of September.

Questions were asked about specific topics and were answered by Mrs. Underwood and Mr. Key to the satisfaction of the board.

**6. Director's Report:**

Brian Key, Executive Director, presented the following information.

- a. Project Activity Reports: The project reports were provided for the board in their packet. Representatives from Wiley|Wilson and Anderson & Associates were in attendance and were available to answer questions.

Mr. Key answered all questions and concerns to the satisfaction of the board.

- b. Customer Service Statistical Summary: Mr. Key presented the statistical summary for the customer service report containing data from October 2010 to September 2011, with the most current month's data located in the far-right column. Mr. Key stated that there is nothing unusual in the report and there have been no violations for over a year. Mr. Key also pointed out that automatic draft payments continue to rise. This was introduced in January 2011 and currently 92 customers use this service. A factor that may be slowing down the process of increasing the number of electronic payments is the availability to offer electronic statements; that service will

be introduced in the near future. This will allow customers to view statements online and pay through credit card or automatic draft.

Mr. Key answered all questions and concerns to the satisfaction of the board.

- c. Strategic Planning: Mr. Key reviewed with the board several aspects of strategic planning. He informed the board that the PSA is working on meeting the goal of having a strategic plan, capital improvement plan, and financial or business plan in place by the end of the year. The target for the final plan is slightly extended past December 2011 as shown on the timeline in the packet, but Mr. Key plans to have a draft presented by the end of the calendar year. The intention is to have the final plan completed prior to the annual report, so the information gathered in the strategic planning process can be incorporated into the annual report. The annual report this year will be combined with the Consumer Confidence Reports (CCR) which will be mailed to customers around March or April.

Mr. Key also stated that he felt it was important to get input from the board on where the PSA is taking the strategic plan. The first page on strategic planning explains the results of the research that was conducted on what strategic planning is and what is supposed to be accomplished. A flow chart breaks the process down to make it clearer to follow. Mrs. Rapp has been organizing the plan and working with the managers to gather information. On the flow chart, the PSA is at phase one. It is important to get input from the board to make sure the PSA and the board agree since everything in the plan builds upon each step. Phase one includes writing a mission, vision, and values. The Board had already compiled a mission statement in a retreat with QualServ. Changes to the mission statement were to make it more accurate and precise. Currently the mission statement is inaccurate as it does not acknowledge that the PSA serves Franklin County. To write this new statement the process began from scratch, asking all the managers what they thought were the key components in a mission statement and answers were compiled into a new mission statement as follows:

*The Bedford County Public Service Authority exists to provide its customers with high quality water and wastewater services at rates that are reasonable and just. The Authority shall anticipate the needs of the community by continually maintaining responsive, reliable service and through systematic expansion whenever economically possible.*

Mr. Flynn suggested changing “community” to “greater community” to make it feel less restrictive. This idea includes the town of Bedford whether the merger goes through or not. Mr. Key stated that strategic planning will be beneficial for the merger as it will inform the new board what the PSA has done in the past and its plans for the future.

The second item in phase one is a vision statement. The PSA has never had a vision before although it was talked about in the QualServ process. The vision statement gives the mission more definition and explains more about how the PSA will accomplish the mission. To compile the vision statement the same process was put in place of asking the managers, which includes feedback with teams, to contribute their ideas of what should be included in the vision statement.

*The Bedford County Public Service Authority strives to provide quality, responsive, reliable, and efficient services utilizing the latest technology and highly trained staff. Through leadership, the Authority endeavors to maintain a work environment that attracts and retains professional, highly competent, motivated, and dedicated employees.*

It is important for the vision statement to say what the PSA expects from employees, what the PSA expects employees to do for customers, and what the PSA can do for the greater community. The vision gives the PSA guidance and lets the Authority embrace what the organization wants to achieve. Mr. Key also pointed out that this is how the PSA has been practicing business but it is now in the process of putting it formally in writing.

Item three in phase one is the values, which are bullet points that say what the PSA strives for as a whole. Initially there was a long list suggested by managers but was narrowed down to a handful to make it manageable. Again these values are the present practices of the PSA but it demonstrates what is important to the PSA, not only to employees but to customers as well.

1. *Excellent, high quality service*
2. *Creativity*
3. *Independence*
4. *Efficiency*
5. *Honesty, integrity, and respect*
6. *Fiscally responsible*
7. *Open communications with public and employees*

Mr. Segroves asked to define independence more as it was unclear as to what exactly it meant. Mr. Key explained that it shows independence from the top down, from the board, managers, and to each employee to allow each person to feel empowered and to act efficiently. Some of the words are vague in nature and can be interpreted differently but they all should have a positive connotation.

Mr. Key explained that the board will not be asked for feedback every step of the way in this manner, but it was essential for the board and its employees agree on the foundation of the plan of which the rest of the plan will be built on.

- d. Resolution 201110-01, for the revision of the credit card policy to allow the Human Resources manager's credit card limit to be increased, was provided to the board as follows:

**201110-01**

At a regular meeting of the Bedford County Public Service Authority ("Authority") Board of Directors, held in the Board Meeting Room at the Bedford County Public Service Authority Administrative Annex Building on the 18<sup>th</sup> of October 2011, beginning at 7:00pm

**WHEREAS**, the Credit Card policy was approved by resolution by the Board of Directors of the Authority on July 20, 2010; and,

**WHEREAS**, the Human Resources Manager has difficulty scheduling and paying for employee training needs during peak times with the current credit limit; and,

**WHEREAS**, the members of the Finance committee have reviewed the requests for the limit increase from \$2,000 to \$4,000 per billing cycle; now,

**THEREFORE, BE IT RESOLVED**, that the Credit Card Policy be modified, to allow for a credit limit increase from \$2,000 to \$4,000 to the credit card assigned to the Human Resources Manager as documented on the attached policy.

On behalf of the Finance Committee, the Chairman asked the board to vote in approval of this Resolution # 201110-01

- Board Member Votes   6   Aye   0   Nay. The motion passed.

- e. Resolution 201110-02, for evaluating the feasibility of providing sewer to the Stewartsville area, was provided to the board as follows:

**201110-02**

At a regular meeting of the Bedford County Public Service Authority Board of Directors, held in the Board Meeting Room at the Bedford County Public Service Authority Administrative Annex Building on the 18<sup>th</sup> of October 2011, beginning at 7:00pm:

**WHEREAS**, the Bedford County Public Service Authority (“BCPSA”) has previously evaluated providing sewer to the Stewartsville Area, without consideration of transmitting the sewage to the Roanoke Regional Plant; and,

**WHEREAS**, recent discussion with the Town of Vinton and the Western Virginia Water Authority have concluded that it would be worth evaluating the costs and feasibility of transmitting the sewage into the Roanoke Regional Wastewater Treatment Plant; and,

**WHEREAS**, at a joint committee meeting on August 26, 2011, the County’s water and sewer committee requested that the PSA conduct a study to determine if providing sewer in Stewartsville is feasible; and,

**WHEREAS**, a proposal dated October 11, 2011 has been received from Anderson & Associates to prepare such a feasibility study; a copy of the proposal is attached to this resolution. The cost of the study as proposed is \$16,200; now,

**THEREFORE, BE IT RESOLVED**, that the Board of Directors of the Bedford County Public Service Authority hereby authorizes the Executive Director to execute the aforementioned contract.

Mr. Wells made a motion to approve this Resolution #201110-01. Mr. Segroves seconded the motion.

- Board Member Votes:   6   Aye   0   Nay. The motion passed.

- f. Per the board’s request from the September 2011 Board meeting, Davenport & Company LLC was asked to revise their proposal to include a financial evaluation of SML to Forest Water Project, and if the proposal was not a large increase to go ahead with the study. Davenport & Company’s study increased from \$50,000 to \$85,000, which staff felt to be a large increase for a small increase in the project scope. Mrs. Underwood then asked for a matching proposal from Morgan Keegan, who is the financial consultant for Bedford County, whose proposal came in at \$25,000. Mr. Flynn suggested that the PSA contact Bedford City and Bedford County for help with the cost of the study.

Resolution 201110-03, for a financial evaluation of SML to Forest Water Project, was provided for the board as follows:

**201110-03**

At a regular meeting of the Bedford County Public Service Authority Board of Directors, held in the Board Meeting Room at the Bedford County Public Service Authority (“Authority”) Administrative Annex Building on the 18<sup>th</sup> of October 2011, beginning at 7:00pm

**WHEREAS**, at the regular Board of Directors meeting on September 20, 2011, the board instructed staff to obtain a revised proposal for financial advisory services to determine the financial feasibility of the Lakes to Forest waterline; and,

**WHEREAS**, the Financial Manager has requested proposals from two firms to provide financial advisory services to determine the financial feasibility of the project; and,

**WHEREAS**, and a proposal dated October 18, 2011 has been received from Morgan Keegan to provide financial advisory services; a copy of the proposal is attached to this resolution. The cost of the services as proposed is a maximum not- to-exceed fee of \$25,000 now,

**THEREFORE, BE IT RESOLVED**, that the Bedford County Public Service Authority authorizes the Executive Director to execute the contract with Morgan Keegan to proceed with financial advisory services.

Mr. Wells made a motion to approve this Resolution #201110-03. Mr. Foutz seconded the motion.

Board Member Votes:   6   Aye   0   Nay. The motion passed.

- g. Camp24 Property: The PSA's request that was made for Camp24 was for 50 acres transferred from the County to the PSA. Rather than be vague and ambiguous Mr. Key outlined a parcel of land that is about half of the lot, based on the best land for development by the PSA. When the County approved the resolution they stated that they would do a survey of the property which would then determine what acreage would be transferred to the PSA. There was no indication on how the land would be transferred (whether it is a lease, ownership, or other method) and if there would be any cost associated with it. Mr. Key stated that he thought this was a good first step and that it allows the PSA to continue with the planning process. Mr. Key stated that it is important to move ahead quickly, according to the reversion document, to provide a backup source for the town. It was stated that the PSA will now create a site plan that will be given to the County to request the designated portion of the land to have surveyed and transferred.

**7. Other business not covered on the above agenda.**

The Chairman brought up the Jefferson Villas based upon a letter included in the board packet from R.A. Bolling, the Treasurer for the Jefferson Villas Board of Directors. In response to the letter Mr. Key stated that the board has given the direction, through the letter that Sam Darby wrote on March 22, which withdrew the PSA's objections of the trees in Jefferson Villas. Mr. Segroves stated that he was confused by what Jefferson Villas was asking for, as he was under the impression that the PSA had given them everything they had requested. Mr. Key responded that Jefferson Villas' lawyer requested additional information from Mr. Darby for clarification on the March 22 letter. Mr. Darby recommended not providing the information, because there was nothing new to add. Jefferson Villas' lawyer then wrote to Mr. Key when he did not receive a response from Mr. Darby. Mr. Key followed Mr. Darby's recommendation, and did not reply; this resulted in the homeowners believing the PSA to be unresponsive. The homeowners then went to the Board of Supervisors, specifically Mr. Sharp, to ask what the situation meant, and Mr. Sharp asked about other options and what could be done with the site. The County Administrator then asked if the Board of Supervisors were to provide the labor to take out and plant new trees if the PSA would buy the new trees. This discussion was had with the homeowners in August 2011. This meeting opened up a whole host of issues instead of solutions. Mr. Key met with the County Administrator and it was decided that it would not be possible to removed trees as planned. The County Administrator has communicated with Mr. Sharp and it is believed that they agree that this is a PSA issue and will allow the PSA to let the letter from March stand. They encourage the PSA to send another letter reiterating the March letter. The board then directed Mr. Key to let the March letter stand and to not write another letter, primarily based on the statement in Mr. Bolling's letter saying, "Both the Board of Directors of Jefferson Villas CUOA and I are presuming that if we do not have a response from you [the PSA] by October 17, 2011, this tree issue is a **DEAD ISSUE** and there will be no need for further discussion."

No other business was discussed by the board.

**8. Motion to Adjourn:**

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

- Board member votes:   6   Aye   0   Nay. The motion passed.

The meeting adjourned at approximately 8:16 pm.

Respectfully Submitted:

---

Brian M. Key, PE – Secretary / Treasurer

---

Jerry Falwell, Jr. – Chairman

Prepared By Megan Rapp – Administrative Assistant  
Approved: October 15, 2011