



**RAPIDAN SERVICE AUTHORITY  
BOARD OF MEMBERS AGENDA  
18-Apr-24**

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A. PUBLIC COMMENT	
B. CUSTOMER REQUESTS	
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**NOTE: MEETING TO BE HELD AT THE MADISON COUNTY ADMINISTRATION BUILDING, AT 2:00 PM.  
414 N. MAIN STREET, MADISON VA 22727**

A regular meeting of the Board of Members of Rapidan Service Authority was held on March 21, 2024 at the Orange County Public Safety Building, Orange, VA.

The meeting was called to order at 2:00 PM. A quorum was established followed by the Pledge of Allegiance.

Present:	Members:	Elliott, Johnson, Marshall
	Staff:	G.M. Clemons, D.O. Jarrell, D.A. Gaskins
	Attorney:	Stefan Calos (virtual)

The agenda for the meeting was adopted on a motion by Marshall, seconded by Elliott, and passed unanimously on a voice vote.

The minutes of the January 18, 2024 meeting were approved on a motion by Elliott, seconded by Marshall, and unanimously passed on a voice vote.

There was no old business and no public comment.

The Board then considered a Locust Grove customer's request for relief on a high water bill several months prior for which she did not know the cause. After examining the supporting documentation, the Board voted to uphold RSA's usual policy on a motion by Elliott, seconded by Marshall, and passed unanimously on a voice vote.

There were no comments by the Board.

G.M. Clemons then reported that the Wilderness WTP permit had been renewed for 15 years with only the same maximum amount of water as previously being permitted to be drawn from the Rapidan River – 2.99 million gallons/day. RSA had hoped to receive permission for approximately 4 million gallons per day, and G.M. Clemons encouraged the Board to start looking into possibilities for water storage, especially if continued growth on the east end of Orange County is anticipated. He suggested that the Board consider a storage option that would provide at least a three-to-four-month drought water supply.

D.A. Gaskins then reported that the rate study has been sent out. It is due to be returned by March 31, so he hopes to bring a more detailed report at the next Board meeting. The auditors have completed their on-site work, and D.A. Gaskins hopes to have their report for the next meeting, as well. The current major administrative project is the implementation of new billing software. This has been needed for some time but was delayed until after Greene County's withdrawal in order to reduce the expense of the project.

D.O. Jarrell then reported on RSA's efforts to improve asset management and to eliminate dependence on paper and instead get information into a digital format. Besides enabling RSA to improve efficacy of existing resources, asset management is needed to obtain funding from state and federal agencies. One major emphasis of RSA's work in this area is to build GIS and digitize paper maps. RSA was successful in finding a qualified individual to work on this project last year. OpenGov Cartegraph was then selected as the software best suited to RSA's needs and is currently being implemented.

G.M. Clemons then gave his report. He indicated that the February balance sheet reflected a normal picture of RSA's financial position at this time of year – lower revenue due to decreased water sales that should pick up in the spring. Non-operating income from new meters being installed in the Locust Grove area has helped the bottom line. G.M. also reported that RSA would be sending a letter to all Locust Grove customers soon informing them that RSA had exceeded haloacetic acids limits in the first quarter of 2024 for the line running on Rt. 3 towards Germanna College. These acids are formed as a result of organic material in the water. RSA is working to mitigate the problem, but a long-term solution will in all likelihood require the building of the planned new water plant as well as some possible modifications of the current facility.

Stefan Calos then gave the attorney report. He will be meeting with G.M. Clemons next week to discuss the following items: FOIA issues, the posting of agendas on RSA's website, Board member terms, the Cincinnati fire insurance claim, and the PFAS claim based on recent laboratory testing.

On a motion by Marshall, seconded by Elliott, the Board unanimously voted to adjourn the meeting at 2:27 p.m.

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Chairman



DATE: April 18, 2024  
TO: RSA Board Members  
FROM: Tim Clemons, GM  
RE: Rate Study

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The Board had previously authorized staff to initiate a comprehensive rate study of all of RSA's systems to determine the adequacy of rates for both operating costs and capital improvement costs.

After doing research, Requests for Proposals to perform this study were sent to the following firms:

1. Raftelis
2. Short Elliot Hendrickson
3. Davenport & Company
4. NewGen Strategies & Solutions

Proposals were to be submitted to RSA no later than March 31, 2024. Proposals were received from Raftelis and NewGen Strategies & Solutions.

Staff performed a thorough review of both proposals and are convinced that either of these firms can carry out the project and would provide RSA with a comprehensive rate study to meet its needs. Both firms have considerable experience in Virginia in the area of public water and sewer utility rate studies. Both have performed similar studies for sister utility authorities as well as nearby cities and towns.

As part of the overall review by staff, each firm's cost proposal for this study was also a factor, particularly considering that both firms are well-qualified. The cost proposals for each are:

- |                                  |             |
|----------------------------------|-------------|
| 1. Raftelis                      | \$79,676.00 |
| 2. NewGen Solutions & Strategies | \$44,990.00 |

Staff is recommending that the Board authorize NewGen Solutions & Strategies to perform the rate study and present its findings to the Board at the appropriate time.



DATE: April 4, 2024

TO: Tim Clemons, General Manager

FROM:  Lynn Clements, Director of Projects

RE: Wilderness Shores Subdivision, Sections 12 and 13, Water Main and Sewer Main Acceptance

The developers of Wilderness Shores Subdivision (Denali Capital Group, LLC.) have completed the installation of water mains and gravity sewer mains to serve 91 lots on Grey Wolf Lane and Cougar Lane of the Wilderness water distribution system in Orange County. The gravity sewer mains are an extension of the Wilderness sewer collection system in Orange County.

All documentation has been received and is correct. RSA policy requires formal Board acceptance of infrastructure serving 15 or more equivalent residential units.

Therefore, I recommend that RSA accept the water and sewer infrastructure serving this residential subdivision into RSA's Wilderness water and sewer systems in Orange County.



DATE: 4/15/24

TO: Tim Clemons, General Manager

FROM:  Lynn Clements, Director of Projects

RE: Signature Station, Phase 1, Development

RSA has met on several occasions with the partners of Signature Station and discussed their project. They are ready to develop and have commitments for commercial tenants. They wish to use RSA's water and sewer infrastructure to serve this development. RSA has requested that Signature Station replace and update the existing sewer pump station in Somerset Farms and pay for a portion of a new elevated water storage tank in the area. Signature Station has agreed to these conditions and wishes to connect to and use the existing RSA infrastructure until the new water storage tank is erected and in service.

RSA has agreed to provide public water and sewer service to Phase 1 only of their development after the new Somerset Farms sewer pump station is built and all water and sewer extensions are completed. RSA agrees to provide up to 20,000 gpd of water for Phase 1. Signature Station, Phase 1, consists of three commercial entities including a gas station, auto parts store, and general merchandise store and one hundred townhomes. No further development is approved until the water storage tank is in service.

Ultimate buildout of this development is estimated to be 140,385 gpd as provided by their engineer. The fire flow is estimated at 360,000 gallons to protect these assets.

**RAPIDAN SERVICE AUTHORITY**  
March-2024

<b>Operating Income</b>	<b>PTD Act</b>	<b>PTD Bud</b>	<b>Variance</b>	<b>YTD Act</b>	<b>YTD Bud</b>	<b>Variance</b>
Water & Sewer Revenue - Madison Co.	47,548	54,417	(6,870)	136,773	163,252	(26,479)
Water & Sewer Revenue - Orange Co.	521,930	645,057	(123,127)	1,566,748	1,935,172	(368,424)
Sale of Materials & Supplies	1,355	3,250	(1,895)	3,144	9,750	(6,606)
Engr & Maint Revenue	-	2,167	(2,167)	-	6,500	(6,500)
Service Fees	-	1,683	(1,683)	-	5,050	(5,050)
Misc. Income	25,835	28,747	(2,912)	62,421	86,240	(23,819)
Service Installations Revenue	28,300	13,250	15,050	56,350	39,750	16,600
<b>Total Operating Income</b>	<b>624,967</b>	<b>748,571</b>	<b>(123,604)</b>	<b>1,825,436</b>	<b>2,245,714</b>	<b>(420,278)</b>
<b>Operating Expenses</b>	<b>PTD Act</b>	<b>PTD Bud</b>	<b>Variance</b>	<b>YTD Act</b>	<b>YTD Bud</b>	<b>Variance</b>
Purchased Water	36,849	40,673	3,824	111,029	122,020	10,992
Operating Labor	130,325	185,249	54,924	494,738	555,748	61,010
New Service Installations	16,542	8,333	(8,209)	45,747	25,000	(20,747)
Locations-Miss Utility	5,978	6,808	831	18,738	20,425	1,687
Engineering & Maintenance	259,709	131,883	(127,826)	485,597	395,650	(89,947)
Water Treatment Supp.	49,601	67,467	17,866	197,387	202,400	5,013
Utilities	85,662	79,146	(6,516)	246,470	237,438	(9,032)
Vehicle Expense	14,822	12,550	(2,272)	33,548	37,650	4,102
Testing	6,073	7,250	1,177	19,592	21,750	2,158
Biosolids Waste Mgmt	9,158	4,708	(4,449)	13,473	14,125	652
Miscellaneous	-	166.67	166.67	-	500.01	500.01
<b>Total Operating Expenses</b>	<b>614,718</b>	<b>544,235</b>	<b>(70,482)</b>	<b>1,666,319</b>	<b>1,632,706</b>	<b>(33,613)</b>
<b>Gross Margin</b>	<b>10,250</b>	<b>204,336</b>	<b>(194,086)</b>	<b>159,116</b>	<b>613,007</b>	<b>(453,891)</b>
<b>General &amp; Admin Expenses</b>	<b>PTD Act</b>	<b>PTD Bud</b>	<b>Variance</b>	<b>YTD Act</b>	<b>YTD Bud</b>	<b>Variance</b>
Billing & Collection Exp	6,936	12,208	5,272	23,619	36,625	13,006
G & A Labor	57,973	90,825	32,852	270,472	272,475	2,003
Comp. Board of Members	770	3,100	2,330	5,392	9,300	3,908
Insurance Premiums	596	750	154	1,923	2,250	327
Bank & Credit Card Fees	755	646	(109)	4,010	1,938	(2,072)
Offices Expenses	(2,127)	8,867	10,994	32,266	26,600	(5,666)
Legal/Bond Fees	2,794	5,317	2,522	16,248	15,950	(298)
Water Regulatory Fees	-	5,375	5,375	15,856	16,125	269
Audit & Other Consulting	-	4,792	4,792	11,131	14,375	3,244
<b>Total General &amp; Admin Expenses</b>	<b>67,697</b>	<b>131,879</b>	<b>64,182</b>	<b>380,917</b>	<b>395,638</b>	<b>14,721</b>
<b>Net Operating Income</b>	<b>(57,447)</b>	<b>72,457</b>	<b>(129,904)</b>	<b>(221,801)</b>	<b>217,370</b>	<b>(439,170)</b>
<b>Non-Operating Income</b>	<b>PTD Act</b>	<b>PTD Bud</b>	<b>Variance</b>	<b>YTD Act</b>	<b>YTD Bud</b>	<b>Variance</b>
Avail. - Water & Sewer - Madison Co.	-	-	-	-	-	-
Avail. - Water & Sewer - Orange Co.	280,000	-	280,000	940,000	-	940,000
Interest Earned	35,264	25,000	10,264	65,567	75,000	(9,433)
Non Operating Revenue Cap Contr.	-	-	-	149,895	-	149,895
<b>Total Non-Operating Income</b>	<b>315,264</b>	<b>25,000</b>	<b>290,264</b>	<b>1,155,462</b>	<b>75,000</b>	<b>1,080,462</b>
<b>Net Income Before Debt Service</b>	<b>257,817</b>	<b>97,457</b>	<b>160,360</b>	<b>933,661</b>	<b>292,370</b>	<b>641,291</b>
<b>Debt Service</b>	<b>PTD Act</b>	<b>PTD Bud</b>	<b>Variance</b>	<b>YTD Act</b>	<b>YTD Bud</b>	<b>Variance</b>
Debt Service	81,694	70,695	(10,999)	81,694	212,084	130,390
<b>Net Income</b>	<b>176,123</b>	<b>26,762</b>	<b>149,361</b>	<b>851,967</b>	<b>80,285</b>	<b>771,681</b>