

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

The meeting was called to order at 2:03 PM. A quorum was established followed by the Pledge of Allegiance.

- Present: Members: Coppage, Elliott, Johnson, Marshall, Voorhees
- Staff: G.M. Clemons, D.O. Jarrell, D.A. Gaskins
- Attorney: Stefan Calos
- Guests: Mike Maker (NewGen Strategies & Solutions)

Several adjustments were made to the proposed agenda before it was adopted. An insertion regarding the acceptance of lots in Twin Lakes into the RSA system was added as Item 7I. A revised resolution as well as supporting documents were given to Board members regarding proposed rate adjustments (Item 7G) as part of the Board agenda package. An updated slide for the NewGen presentation for the proposed projected sewer charges and rates was inserted on page 15 of the agenda. An updated schedule of proposed rates was inserted on page 50 in the agenda and a revised memo for the Gordonsville rates was inserted for page 52 of the agenda. The revised agenda for the meeting was adopted on a motion by Coppage, seconded by Marshall, and passed unanimously on a voice vote.

The minutes of the September 19, 2024 meeting were approved on a motion by Coppage, seconded by Voorhees, and unanimously passed on a voice vote.

Under Old Business, D.A. Gaskins informed the Board that RSA staff had followed up on a request by RSA customers Eric and Nicholle Stancell petitioning the Board for additional funds for cleaning up after a sewer problem at their home. D.A. Gaskins presented the results of that investigation, and the Board decided that no further action was warranted.

Mike Maker of NewGen Strategies & Solutions then presented the results of the rate study that they recently finished for RSA. He explained the factors that went into the study and shared the rate adjustments that NewGen believes are needed in order for RSA to successfully meet its future obligations. There was good discussion by the Board over the presentation and its effect on rates. As a result of the discussion, Mr. Maker will revise the bar graphs in the study and provide revisions to RSA for inclusion in the study. G.M. Clemons thanked Mr. Maker for the hard work of NewGen Solutions on the study at the conclusion of his presentation.

There were no customer comments or requests. During the opportunity for Board comment, Mr. Voorhees stated that once the current necessary rate adjustments are made, RSA should consider making small rate adjustments every year or two to avoid the need to make larger rate adjustments. He indicated that he has seen this type of situation many times in the past and that customers generally find the regular smaller rate adjustments more palatable.

G.M. Clemons then gave a final report to the Board on the August objectionable odor event. After much investigation, it was determined that the WD40/kerosene/diesel odor was caused by a contractor working

on the intake pump upgrade project at the river. The contractor installed temporary wiring which caused a thermal overload of the river intake pump, and a pump motor released two to three gallons of food-grade mineral oil into the system. RSA has been working with the Health Department, which issued a notice of violation and items for improvement for RSA to work on. G.M. Clemons stated that the most significant change is that if there is a pump failure, RSA will investigate the cause of the failure rather than simply switching to another pump. This should avoid the possibility of a similar situation in the future. Operators are now sampling the water every four hours after plant start-up to check for odor or other issues, and RSA has increased the inspections of the current intake pump upgrade project. GM Clemons indicated that a granular activated carbon filtration system would have prevented the recent problem as well as mitigated other issues that RSA is working on relative to disinfection by-products, and RSA is investigating the best way to pursue this option. Looking back, he said that the pump failure followed by the odor shortly thereafter should have sent up a red flag alerting staff of a potential problem. RSA had suffered many pump failures prior to this incident without a problem, however, but will obviously be much more diligent to investigate any pump failures in the future. At the conclusion of G.M. Clemons' report, the Chairman remarked that there are two lines of thought on the situation. The first is that RSA should have figured out the problem right away. The second realizes that this was an unprecedented event and that a causal link was not obvious. As soon as RSA was able to "connect the dots," it took steps to rectify the problem.

The Board then took up the issue of a representative and alternate to represent RSA on DEQ's new regional water supply planning group. The Chairman nominated Ted Voorhees as the representative and Tim Clemons as the alternate. Mr. Coppage seconded the nominations, and they were approved on a unanimous voice vote.

The proposed rate adjustments were then presented. D.A. Gaskins informed the Board that the rates were taken straight from the NewGen rate study. Public hearings are needed for the rate adjustments except for those in Gordonsville, which are done by contract. RSA would advertise its hearings in the local Orange and Madison newspapers as well as Lake of the Woods, Lake Currents publication. The planned advertisements would go in the December 19 & 26 newspaper issues with the hearings scheduled for the first part of January 2025. RSA hopes to conduct hearings at the Locust Grove Middle School for Lake of the Woods and then at its regular Board meeting locations for Madison and Routes 15 and 20 in Orange. On a motion by Coppage, seconded by Elliott, a motion was passed on a unanimous voice vote approving the resolution presented, adopting the Schedule of Proposed Rate Adjustments, as the preliminary schedule fixing and classifying rates, fees and charges.

D.A. Gaskins then presented a proposed retention bonus for staff. Full-time staff with over six months' service would receive \$500 and other staff would receive \$300. The total cost to RSA would be under \$25,000. On a motion by Coppage, seconded by Marshall, the proposal was unanimously approved on a voice vote.

G.M. Clemons then presented the request for the acceptance of 52 lots in Twin Lakes into the RSA system. The Board had questions regarding the project and decided to defer a vote on acceptance until the December Board meeting in order to have an opportunity to have their questions answered.

G.M. Clemons then gave his report. Madison County has appointed Mr. Coppage to another four-year term on the RSA Board. RSA finances are still fine, but much of that is attributable to availability fees. A question was raised regarding the Madison water plant project. D.O. Jarrell indicated that the project is close to conclusion; it may not be complete by the end of the year but should be close. RSA has signed an

agreement with DEQ for an estimated \$2.2 million WQIF grant for the Madison sewer plant. (It can vary depending on actual bids as it is 90% of eligible costs.) RSA is also discussing possible funding with the USDA which could cover up to 50% of the remaining portion. A grant might not be possible, but a worst-case scenario would have a 40-year loan with a fairly low interest rate.

Mr. Calos advised the Board that he has been working on a variety of the items on the agenda with staff but has no further report at this time beyond that.

With no further business to discuss, on a motion by Coppage the meeting was adjourned at 3:36 p.m. on a unanimous voice vote.



Chairman

RESOLUTION

RESOLVED, that pursuant to Virginia Code section 15.2-5136(G) (1950, as amended), each of the attached Rapidan Service Authority, Schedule of Proposed Rate Adjustments, is hereby Adopted as the preliminary schedule fixing and classifying rates, fees, and charges. After a duly noticed public hearing, the preliminary schedule, either as originally adopted or as amended, shall be adopted and put into effect.

ADOPTED this 21st of November, 2024.



Mark Johnson, Chairman



Timothy L. Clemons, Secretary