



**RAPIDAN SERVICE AUTHORITY
BOARD OF MEMBERS AGENDA
20-Jun-24**

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1 CALL TO ORDER BY CHAIRMAN, MARK JOHNSON	
2 ROLL CALL - ESTABLISHMENT OF QUORUM	
3 PLEDGE OF ALLEGIANCE	
4 ADOPTION OF AGENDA	
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7 NEW BUSINESS	
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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 April 18, 2024 at the Madison County Administration Building, Madison, VA.

The meeting was called to order at 2:01 PM. A quorum was established followed by the Pledge of Allegiance.

Present:	Members:	Coppage, Elliott, Johnson, Marshall, Voorhees
	Staff:	G.M. Clemons, D.A. Gaskins
	Attorney:	Stefan Calos (virtual)
	Guests:	Zach Hipes (RFC)

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

The minutes of the March 21, 2024 meeting were approved on a motion by Voorhees, seconded by Marshall, and unanimously passed on a voice vote.

There was no old business, public comment, customer requests or Board comment.

Zach Hipes from Robinson, Farmer, Cox then presented the annual audit report. He thanked Trace Gaskins and Cindy Breeden for their help during the audit process and indicated that there were no deficiencies or problems uncovered by the audit. In discussing the audit, Board members pointed out that this audit reflected half of a year without Greene County income/liabilities and that there will continue to be changes as Greene County will not be reflected in the audit for 2024 at all. G.M. Clemons thanked RFC and also thanked Trace Gaskins and Cindy Breeden for their hard work in preparing for the audit.

G.M. Clemons then informed the Board that staff had sought proposals for a rate study as the Board had previously authorized. RSA contacted four firms and received responses from two of them, Raftelis and NewGen Strategies & Solutions. G.M. Clemons, D.A. Gaskins and two other staff members reviewed the proposals and came to the conclusion that they were very similar except for the cost. Both use similar methodologies and should do a good job on the study. Based on these findings, G.M. Clemons is proposing that the Board engage NewGen to do the study. On a motion from Coppage, seconded by Voorhees, and approved unanimously on a roll call vote, the Board voted to engage NewGen to do the rate study.

Since RSA policy requires that the Board formally accept any infrastructure serving 15 or more equivalent dwelling units, G.M. Clemons then asked that the Board accept Wilderness Shores Subdivision sections 12 and 13 into RSA's Wilderness water and sewer systems in Orange County. On a motion by Marshall, seconded by Voorhees, the Board unanimously voted to do so on a roll call vote.

G.M. Clemons then informed the Board that the partners of Signature Station have again contacted RSA regarding their potential development. (This is a project that they have been considering for many, many years.) They had received County approval for their proposed project in 2011, but obviously things have changed since that time. G.M. Clemons informed them that RSA could commit up to 20,000 gallons of water a day at this time for Phase 1 but cannot commit any additional water until a new storage tank was built. This would probably take two to three years and cost \$2-3 million. G.M. Clemons informed them

that they would have to cover \$1 million of the cost since their project would contribute greatly to the need for it to be built. G.M. Clemons does not know if they will want to pursue this but wanted to make the Board aware of the situation.

G.M. Clemons then gave his report. Income is down as is expected at this time of year. As the weather warms, water sales should increase and help the situation. The loss of Greene County has also affected revenue. G.M. Clemons had anticipated the need to raise rates 10% across the board to help compensate for the loss of Greene County but plans to wait until after the rate study is completed before seeking to adjust rates. He informed the Board that preparations of the new office in Madison are proceeding and that he hopes for the move to take place by the end of May.

Attorney Calos then gave his report. As planned, he met with G.M. Clemons and D.A. Gaskins to discuss items after the last Board meeting. He indicated that he believes RSA has always been in compliance with all FOIA laws but that the website is now more robust in providing information to the public. Board terms were also discussed and plans are being made to have Board terms staggered rather than have the possibility of losing the whole Board at one time. On a different subject, Mr. Calos indicated that RSA has submitted everything it can to the insurance company to get a proper settlement for the April 2023 fire claim. Finally, it appears that RSA will probably be on the low end of the PFAS contamination scale and would therefore not need to be a participant in any lawsuits seeking financial aid to mitigate problems connected to PFAS.

With no further business to discuss, on a motion by Coppage, seconded by Elliott, the meeting was adjourned at 2:24 p.m. on a unanimous voice vote.

Chairman

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Locust Grove, VA 22508
(540)972-2133



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Madison, VA 22727
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MEMORANDUM

DATE: June 17, 2024
TO: RSA Board of Members
FROM: Tim Clemons, GM
RE: Greene County – Lease Addendum

Attached is a Lease Addendum with Greene County for the office that RSA presently uses in Greene County. The original lease is set to expire June 30, 2024. Greene County's attorney communicated with RSA's attorney as to any need to extend the lease.

As the Board is aware, RSA purchased a building in Madison and is readying it for occupancy. We expect to call for an occupancy permit inspection by June 21, 2024.

Based on the advice of our attorney, Greene County was advised that RSA would appreciate a 60-day extension to the current lease, in the event it is needed. This extends the current lease termination to August 29, 2024. All other terms and conditions of the Lease Agreement dated June 23, 2023, remain in effect with no additional changes.

The General Manager is requesting that the Board approve the 60-day extension and authorize the General Manager to execute the Lease Addendum on RSA's behalf.

LEASE ADDENDUM

THIS LEASE ADDENDUM is made and entered into this ____ day of _____, 2024, by and between Greene County, a political subdivision of the Commonwealth of Virginia (“Landlord”), and Rapidan Service Authority, a political subdivision of the Commonwealth of Virginia (“Tenant”), for the Premises (as this and other terms are defined in the Lease Agreement referenced herein) located at 11235 Spotswood Trail, Ruckersville, Virginia 22968. The Premises is also more particularly described as Tax Map Number 50-A-3.

WHEREAS, the parties entered into a Lease Agreement dated June 27, 2023 and;

WHEREAS, the parties are satisfied with the Lease Agreement, and it has proven to be a mutually beneficial relationship; and

WHEREAS, the original term of the Lease Agreement expires on June 30, 2024; and

WHEREAS, the Tenant has acquired a new office building but needs additional time at the 11235 Spotswood Trail building; and

WHEREAS, both parties agree to a 60-day extension of the Lease Agreement; and

WHEREAS, if additional extensions are needed, both parties shall agree to the extension in writing.

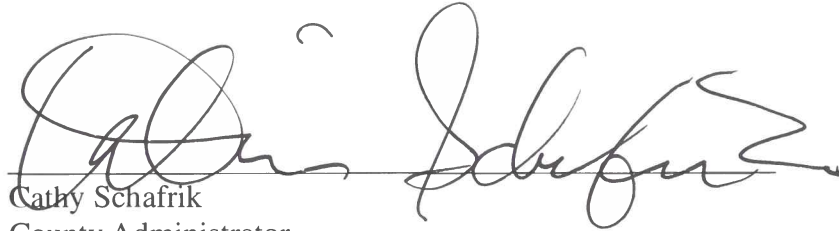
THEREFORE, the parties agree as follows:

1. The term of the Lease Agreement is extended and shall terminate on August 29, 2024.
2. If an additional extension of the Lease Agreement is necessary, both parties shall agree to the additional term in writing.
3. All other terms and conditions of the Lease Agreement dated June 27, 2023 shall remain in

effect.

IN WITNESS WHEREOF, the parties hereto have affixed their signatures.

LANDLORD: GREENE COUNTY, VIRGINIA



Cathy Schafrik
County Administrator
Greene County, Virginia


Date: June 12, 2024

TENANT: RAPIDAN SERVICE AUTHORITY

Tim Clemons
General Manager
Rapidan Service Authority

Date: _____

Approved as to Form:



Kelley Kemp,
County Attorney

RAPIDAN SERVICE AUTHORITY

May-2024

Operating Income	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Water & Sewer Revenue - Madison Co.	49,171	54,417	(5,246)	229,152	272,086	(42,934)
Water & Sewer Revenue - Orange Co.	564,244	645,057	(80,814)	2,659,617	3,225,286	(565,669)
Sale of Materials & Supplies	1,940	3,250	(1,310)	8,689	16,250	(7,561)
Engr & Maint Revenue	-	2,167	(2,167)	-	10,833	(10,833)
Service Fees	-	1,683	(1,683)	-	8,417	(8,417)
Misc. Income	44,559	28,747	15,813	124,818	143,733	(18,915)
Service Installations Revenue	27,350	13,250	14,100	99,700	66,250	33,450
Total Operating Income	687,263	748,571	(61,308)	3,121,975	3,742,856	(620,881)
Operating Expenses	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Purchased Water	41,382	40,673	(709)	192,999	203,367	10,368
Operating Labor	138,262	185,249	46,987	781,405	926,247	144,842
New Service Installations	11,804	8,333	(3,471)	69,478	41,667	(27,812)
Locations-Miss Utility	5,642	6,808	1,167	30,213	34,042	3,829
Engineering & Maintenance	146,004	131,883	(14,121)	780,750	659,417	(121,333)
Water Treatment Supp.	62,416	67,467	5,051	318,820	337,333	18,513
Utilities	80,635	79,146	(1,489)	398,019	395,729	(2,290)
Vehicle Expense	13,287	12,550	(737)	55,381	62,750	7,369
Testing	9,233	7,250	(1,983)	36,174	36,250	76
Biosolids Waste Mgmt	161	4,708	4,548	13,725	23,542	9,817
Miscellaneous	-	166.67	166.67	-	833.35	833.35
Total Operating Expenses	508,826	544,235	35,410	2,676,964	2,721,177	44,213
Gross Margin	178,437	204,336	(25,898)	445,012	1,021,679	(576,667)
General & Admin Expenses	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Billing & Collection Exp	12,970	12,208	(762)	43,526	61,042	17,515
G & A Labor	67,765	90,825	23,060	408,893	454,125	45,232
Comp. Board of Members	2,650	3,100	450	9,993	15,500	5,507
Insurance Premiums	596	750	154	3,114	3,750	636
Bank & Credit Card Fees	652	646	(6)	5,241	3,229	(2,012)
Offices Expenses	11,242	8,867	(2,376)	49,236	44,333	(4,902)
Legal/Bond Fees	3,016	5,317	2,300	23,313	26,583	3,270
Water Regulatory Fees	7,056	5,375	(1,681)	26,436	26,875	440
Audit & Other Consulting	1,875	4,792	2,917	11,996	23,958	11,963
Total General & Admin Expenses	107,822	131,879	24,057	581,748	659,396	77,648
Net Operating Income	70,615	72,457	(1,841)	(136,736)	362,283	(499,019)
Non-Operating Income	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Avail. - Water & Sewer - Madison Co.	-	-	-	-	-	-
Avail. - Water & Sewer - Orange Co.	590,000	-	590,000	2,110,000	-	2,110,000
Interest Earned	49,588	25,000	24,588	113,324	125,000	(11,676)
Non Operating Revenue Cap Contr.	-	-	-	149,895	-	149,895
Insurance Recoveries	-	-	-	3,500	-	3,500
Total Non-Operating Income	639,588	25,000	614,588	2,376,719	125,000	2,251,719
Net Income Before Debt Service	710,203	97,457	612,747	2,239,983	487,283	1,752,700
Debt Service	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Debt Service	-	70,695	70,695	47,480	353,474	305,994
Net Income	710,203	26,762	683,442	2,192,503	133,809	2,058,694