



**RAPIDAN SERVICE AUTHORITY
BOARD OF MEMBERS AGENDA
15-Dec-22**

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2 ROLL CALL - ESTABLISHMENT OF QUORUM	
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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 November 17, 2022 at the Madison County Administration Building.

The meeting was called to order at 1:58 PM. A quorum was established followed by the Pledge of Allegiance.

Present: Members: Bowman, Coppage, Crozier, Frame, Martin, Yowell
Staff: GM Clemons, DO Jarrell, DA Gaskins
Visitors: Greg Lunsford, B. Gardner, Clay Jackson, Powell O'Bannon, Media

The agenda for the meeting was adopted on a motion by Bowman, seconded by Martin and approved unanimously on a voice vote.

The minutes of the September 15, 2022 Board meeting were approved on a motion made by Yowell, seconded by Bowman. The motion passed on a 4-0 voice vote with abstentions by Mr. Coppage and Mr. Martin, who were not present at the September meeting.

Mr. Lunsford then gave an update regarding Greene County's withdrawal from RSA. He indicated that they are making progress but still need to hire staff, particularly plant operators, before they can finish the process. They are currently in the process of making offers to three water operators and three wastewater operators and hope to have them on board no later than the middle of December. They are unable to secure the required approval from the various state agencies such as the VRA, SCC, VDH and DEQ until they have the necessary staff hired. The necessary title work has nearly been completed, and Mr. Lunsford will forward the paperwork to GM Clemons as it is finished so that RSA's attorney can review it as it is completed rather than as a single unnecessarily large submission. Greene has encountered significant price increases in vehicles and equipment but will begin ordering around the first of December. Mr. Lunsford reiterated the County's hope that their staff could train with RSA's operators for one week during the transition period but cannot at this point give any definite timeline for completing its withdrawal from RSA.

Mr. O'Bannon from Madison Land Holdings then addressed the Board. He currently owns 22 sewer EDUs in Madison but will need to have access to water, also. He questioned whether there are plans for water to be made available in the area he hopes to develop and mentioned that he would eventually need at least an additional sewer EDUs, as well. None are currently available and will not be until the sewer plant is expanded. It seemed that the Madison County representatives were supportive of his interest, so the Chairman referred Mr. O'Bannon to GM Clemons to discuss the matter further.

There was no public comment, but a couple of the Board members took the opportunity to give comment. Mr. Crozier congratulated Greene County on the progress that they had made to date on their withdrawal from RSA. Mr. Yowell asked about Madison County's involvement in the lawsuit brought by Greene County. He was informed that Greene County had agreed to dismiss the lawsuit once the asset transition to Greene County occurs.

The Board then discussed the acceptance of the Phase 2A section of the Ruckersville Four Seasons development into the RSA water/sewer system. On a motion by Bowman, seconded by Martin, the Board accepted the section into the RSA system on a unanimous voice vote.

GM Clemons then brought a proposed funding agreement between the Virginia Department of Health and RSA for improvements to the Madison water plant and intake to the Board for approval. GM Clemons thanked DO Jarrell for his work on this project over the past year. RSA will receive \$1,876,875 for improvements to the Madison water facility with the contingency that the work must be completed by December 31, 2024 for RSA to receive full funding. GM Clemons stated that that would not be a problem, and RSA's attorney has deemed the agreement legally sufficient. Mr. Yowell asked if the funding would cover everything that was needed. GM Clemons indicated that it would not but that it would cover major components and bring a 54-year-old system much more up to date. It would not increase capacity, however, and any costs above the \$1,876,875 would be borne by RSA. Mr. Yowell asked that GM Clemons keep the Board apprised of additional costs involved. A motion was made by Coppage, seconded by Yowell, to give the General Manager permission to execute the agreement. The motion passed unanimously on a voice vote.

As had been requested by Mr. Yowell, the Board then reviewed RSA's EDU policy. GM Clemons had informed the Madison Board of Supervisors of RSA's hopes to increase capacity in the county in the future which would make some additional EDUs available for purchase. Citizens had expressed their concern about how these might be apportioned, fearing that a few developers might purchase all of them for future projects that might take place in the distant future or not at all. Mr. Yowell had been asked if a purchaser would be required to have an "approved site plan" to purchase an EDU. GM Clemons indicated that normally the developer would have already approached the county before approaching RSA. The Chairman expressed some concern that many years ago RSA might have been approached about the availability of water/sewer for a project without the EDUs being purchased at that time and without formal tracking of these potential future purchases. GM Clemons also pointed out that RSA's usual position is to encourage the purchase of EDUs since that is a significant source of revenue, although he understood Mr. Yowell's concern about EDU purchases on a smaller system. The Chairman mentioned the possibility of a requirement for formal plans to be prepared that would provide details of the intended location of water/sewer on a property to help ensure that plans were being made to use the EDUs that were requested for purchase. Mr. Crozier suggested the possibility that a portion of the EDUs be kept in reserve. The Board could then allow these to be purchased on a case-by-case basis. Mr. Jackson, Madison BOS Chairman, mentioned the possibility of redrafting the policy section regarding EDUs. GM Clemons asked that any drafts would be sent to him before being presented to the Board as RSA has tried to operate consistently over each of its locales. Mr. Martin suggested that Madison County's zoning and planning office and the Madison County representatives might want to work with GM Clemons' office in this area. GM Clemons reiterated his understanding of Mr. Yowell's concern, and he and Mr. Yowell said that they would work on it.

A possible staff bonus was then brought up for discussion. A motion was made by Crozier, seconded by Coppage, to approve a bonus for staff. Appreciation was expressed for the hard work of staff, especially of personnel who must work outside in all kinds of weather conditions. The motion was approved unanimously on a voice vote.

GM Clemons then gave his report. Overall, RSA is in good shape financially. Forecasted revenue is down slightly, but operating expenses are down as well. The Wilderness water plant expansion is in progress and expected to finish in August or September of 2023. The Locust Grove vacuum sewer project and the Washington Street project in Madison are also progressing. Additionally, 400 feet of sewer pipe was replaced in Gordonsville on an emergency basis. GM Clemons stated that he had hoped RSA was done with covid, but four new cases had appeared last week. Supply issues are still a problem with delays in receiving orders being routine, but RSA has been able to get the needed chemicals to carry out plant operations. Legal expenses are down. There was a question regarding debt service payments being greater than the budgeted amount, and it was pointed out that these payments are made twice a year and would be back in sync with the budget next month.

As there was no further business to be brought before the Board, Coppage made a motion, seconded by Yowell, that the meeting be adjourned. The motion passed on a unanimous voice vote at 2:42 PM.

Chairman

Payment Arrangement Application



Monday, November 7, 2022 09:33

Submission ID:

5436407803014453829

Name on Account Gary MacFadden
Account Number 4275-02
Service Address 108 Lee Circle
Locust Grove, 22508
Phone Number (540) 755-2675
Email Address gary.macfadden@gmail.com

Preferred Contact Method(s)

Email

I am requesting assistance due to:

Other

High usage caused by toilet malfunction

Additional Comments/Details

Dear Mr. Gaston, my wife and I returned home from a two week absence to discover that the malfunction of flapper valve in the toilet of our new home had caused water to flow continuously. The total water flow was 81,000 gallons, 45 times higher than our October bill of 1800 gallons. Our technician, Laurie, estimated the usage was 60,000 gallons when she read our meter. In addition to requesting a relaxed payment plan from RSA, I would also like to respectfully appeal to you and the RSA Board for some level of forgiveness in terms of the total gallons to be billed. Your team members have been sympathetic to my situation, and as faithful employees, they have always adhered to your company's rules - giving nothing away, nor setting unrealistic expectations. That is why I am writing you, as you are the one with authority, to evaluate my case and judge if it is worthy of any executive sympathy and action. Thank you.

Currently employed?

No

Accepted

RSA Terms & Conditions

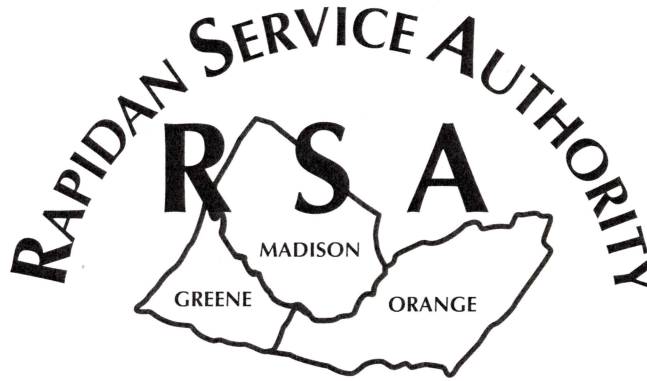
5.00 WATER DIVISION all service areas.

5.1 METER CHARGES

5.01.01 Deposit:

All customers shall be required to contact the Authority to initiate service and submit a deposit for each account. The deposit amount for water and for sewer service will be set system by system as determined by the General Manager for not less than 3 months nor more than 5 months of water and sewer charges pursuant to Virginia Code, section 15.2-2119 (f)(iii) The deposit may be refunded and applied as a credit to the Homeowner's account if the account meets the following criteria for 12 consecutive months:

RAPIDAN SERVICE AUTHORITY
11235 SPOTSWOOD TRAIL
PO BOX 148
RUCKERSVILLE, VA 22968
TEL 434-985-7811
FAX 434-985-6075



RAPIDAN SERVICE AUTHORITY
3489 GERMANNA HWY
PO BOX 736
LOCUST GROVE, VA 22508
TEL 540-972-2133
FAX 540-972-7065

Serving the Counties of Greene, Madison and Orange

MEMORANDUM

DATE: December 12, 2022
TO: RSA Board of Members
FROM: Tim Clemons, General Manager
SUBJECT: 2023 Proposed Operating Budget

As a result of discussions with members of the RSA Budget Committee, enclosed is a copy of Rapidan Service Authority's Proposed Operating Budget for Fiscal Year 2023.

The staff has prepared the FY 2023 Proposed Operating Budget continuing to use the same general budgetary assumptions as have been used in past years. The Budget must be adopted at the December Board meeting in order to comply with RSA's Bond Covenants.

RSA's operating budget is based on the accrual method and therefore does not acknowledge non-payments, weather fluctuations, or capital obligations/expenditures. Unlike the budgets of municipalities, which are based on a guaranty of tax revenues, RSA managers do not have "free will" to spend within budget amounts, due to the unpredictability of weather-impacted revenues, economic fluctuations, etc. For these reasons, RSA, historically, uses this budget only as a guide. Revenues and expenditures are monitored throughout the year and adjustments are made accordingly. This is therefore a very dynamic yet required process.

This budget reflects Debt Service Coverage of 138%. Virginia Resources Authority (VRA) requires a minimum Debt Service Coverage of 115%. The budget also satisfies the statutory requirements of the Virginia Water and Waste Authorities Act.

The overriding message we would like to convey to the Board of Members is that although we are beginning to see an increase in development, economic conditions remain such that RSA management continues to take a very prudent approach in drafting this year's budget.

For the past several years it has been the goal of the staff to strive to generate operating income sufficient to cover operating expenses and existing debt service. This would allow non-operating income to build up reserves. This proposed 2023 budget accomplishes that goal. This budget does not include using any non-operating income to cover operating expenses or existing debt service. All non-operating income generated in FY 2023 will be used to build reserves for future capital expenses.

In order to comply with the budget adoption requirement of the VRA Bonds, the Board needs to adopt the budget at the December 15th meeting. Therefore any Board Member, having questions or comments, should contact Cindy Breeden, Trace Gaskins or me prior to the meeting.

Rapidan Service Authority 2023 Proposed Operating Budget

December 15, 2022

**Rapidan Service Authority
2023 Proposed Operating Budget**

	2023 Proposed
<i>Operating Revenues</i>	
Water Sales - Greene	3,240,761
Water Sales - Rt. 15 & G'ville	630,837
Water Sales - Rt. 20 Orange	31,018
Water Sales - Madison	284,340
Water Sales - East	1,314,608
Penalties	132,073
Sewer Revenue - Stanardsville	456,996
Sewer Revenue - Ruckersville	660,555
Sewer Revenue - Madison	274,069
Sewer Revenue Gordonsville	556,195
Sewer Revenue - East	4,040,796
Sale of Material & Supplies	39,000
Engr. and Maint. Revenue	16,000
Inspection Fees	40,200
Misc. Income	136,700
Septage Hauled	4,000
Service Installations-Revenue	186,000
Rental/Lease Agreements	257,600
East Non-User Fees	61,400
<i>Total Operating Revenues</i>	<u>12,363,147</u>
<i>Operating Expenses</i>	
Purchased Water	448,790
Operating Labor	2,039,619
Annual Leave Paid	86,600
Sick Leave Paid	52,851
Engineering & Design	88,934
New Service Installations	186,700
Locations - Miss Utility	85,200
Maint. - Treatment Equip	835,000
Water/Sewer Treatment Supplies	903,600
Maint-Bldgs & Sites	190,499
Maint. - Pump Stations	530,000
Maint. - Grinder Pumps	120,000
Maint. - Holding Tanks	236,000
Utilities	985,000
Maint. - Mains & Access.	309,000
Maint. - White Oak Dam	6,000
Maint. - Equipment	50,100
Maint. - Services	113,600
Maint. - Meters	347,000
Materials for Resale	32,500
Vehicle Expense	54,800

**Rapidan Service Authority
2023 Proposed Operating Budget**

	2023 Proposed
Gas-Grease-Oil - Vehicles	89,300
Gas-Grease-Oil - Equip	40,500
Testing	131,000
Biosolids Waste Mgmt	146,000
<i>Total Operating Expenses</i>	<u>8,108,592</u>
<i>Gross Margin</i>	4,254,554
<i>Gen & Admin Expenses</i>	
Advertising	4,600
Billing & Collection Expense	134,400
Customer Assistance	600
Postage & Supplies	3,550
Annual Leave Paid	28,300
Compensation - Admin. Personnel	766,700
Sick Leave Paid	17,900
Compensation - Board of Members	9,000
Insurance Premiums	157,400
Misc. Payroll Tax Expense	3,100
Bank Fees	10,000
Credit Card Fees	100
Office Supplies	12,000
Office Utilities	9,000
Communications	79,500
Legal/Bond Fees	219,600
Water/Sewer Regulatory Fees	57,600
Consulting Engineering	28,000
Audit & Other Consulting	91,000
Training & Education	17,000
Transportation	100
Miscellaneous	100
Office Equip Repairs & Maint.	34,000
<i>Total Gen. & Admin. Expenses</i>	<u>1,683,549</u>
<i>Non-Operating Income</i>	
Interest Earned	120,000
System Recovery	(1,494,439)
<i>Total Non-Operating Income</i>	<u>(1,374,439)</u>
<i>Gross Income before Debt Service</i>	<u>1,196,566</u>

**Rapidan Service Authority
2023 Proposed Operating Budget**

	2023 Proposed
<i>Debt Service</i>	
I - VRA 2009B (Wilderness WWTP)	148,105
P - VRA 2009B (Wilderness WWTP)	260,000
I - VRA 2019B (Refund VRA 2009A)	71,740
P - VRA 2019B (Refund VRA 2009A)	386,667
<i>Total Debt Service</i>	<u>866,512</u>
<i>Contribution to Reserves</i>	<u>\$ 330,054</u>



Memorandum

To: RSA Board of Members
From: Trace Gaskins, DoA
CC:
Date: December 12, 2022
Re: Virginia Retirement System

With the increased difficulty in hiring and retaining qualified employees, RSA staff has studied switching the Authorities' retirement plan to the Virginia Retirement System (VRS). By joining VRS, the Authority will have the same retirement benefit as surrounding localities.

Current RSA employees will have a one-time opt-out option, with all future employees required to join the VRS retirement plan.

Option 1: RSA buys employees into the VRS system with up to 5 years of service. The initial cost of this option would be \$380,204.

Option 2: RSA buys employees into the VRS system with up to 15 years of service. The initial cost of this option would be \$1,013,509.

If the RSA Board chooses to approve moving to the Virginia Retirement System, staff recommends Option 1. This option will be funded from reserves.

New VRS Employer - VRS only

WHEREAS, subject to the approval of the Virginia Retirement System (“VRS”) Board of Trustees, *Code of Virginia* § 51.1-130 permits a political subdivision of the Commonwealth of Virginia to make an irrevocable election to join VRS and to provide retirement benefits for its eligible employees as the term is defined in *Code of Virginia* § 51.1-132; and

NOW, THEREFORE, BE IT RESOLVED:

1. The Rapidan Service Authority (the “Employer”), a political subdivision of the Commonwealth of Virginia, acting by and through the Rapidan Service Authority Board of Members hereby irrevocably elects to join VRS and provide VRS retirement benefits for its eligible employees effective the first day of February 2023 (“Join Date”);
2. The Employer agrees to pay the required employer contribution rate on or before the date required by law;
3. The Employer agrees to pay the required employer cost for participation of its employees in VRS for _____ Years * service rendered with the Employer prior to the Join Date, for which credit is authorized and established in a manner prescribed by VRS;
* In this blank insert the appropriate wording to describe the amount of prior service being granted by your entity (e.g., no, all, up to five years, etc.)
4. The Employer agrees that its eligible employees who are VRS members shall be required to pay member contributions on a salary reduction basis in accordance with *Code of Virginia* §§ 51.1-144 and 51.1-169 and § 414(h) of the Internal Revenue Code; and,
5. The Employer agrees to comply with all applicable laws and regulations, as well as VRS policies, procedures, and determinations in accordance with VRS’ statutory authority set forth in the *Code of Virginia*, as it may be amended from time to time.

NOW, THEREFORE, the officers of the Employer are hereby authorized and directed in the name of the Employer to carry out the provisions of this resolution and to pay to the Treasurer of Virginia from time to time such sums as are due to be paid by the Employer for this purpose.

Governing Body Chair

CERTIFICATE

I, Herman M Gaskins III, Director of Administration of the Employer, certify that the foregoing is a true and correct copy of a resolution passed at a lawfully organized meeting of the Employer held at Madison, Virginia at 2:00 PM on December 15, 2020. Given under my hand and seal of the Employer this 15 day of December, 2022.

Signature

*The language in this guide resolution has been written by VRS Benefits Counsel and is not subject to modification.

RESOLUTION

Authorization to Pick up the Employees Contribution to VRS for Past Service Credit under § 414(h) of the Internal Revenue Code

WHEREAS, the Rapidan Service Authority desires to provide its employees with tax deferral pursuant to § 414(h) Internal Revenue Code (IRC) with respect to their member contributions to the Virginia Retirement System, the State Police Officers' Retirement System, the Virginia Law Officers' Retirement System, and the Judicial Retirement System (collectively referred to as VRS) for the permissible purchase of past service credit by picking up member contributions to the VRS; and

WHEREAS, the pick up is authorized under § 51.1-142.2 of the *Code of Virginia*, as amended from time to time; and

WHEREAS, the VRS keeps track of such picked up member contributions, and is prepared to treat such contributions as employee contributions for all purposes of VRS;

NOW, THEREFORE, IT IS HEREBY RESOLVED that effective the first pay day on or after the later of December 15, 2022 or the date the member executes a binding and irrevocable salary reduction election relating to the past service permitted to be purchased, the Rapidan Service Authority shall pick up all or a portion of the member contributions of its employees to VRS based on the terms of the salary reduction election, and such contributions shall be treated as employer contributions in determining tax treatment under the IRC; and it is further

RESOLVED, the binding salary reduction election to be executed by the member shall include the following: (1) the beginning and ending date of the election, (2) the amount of the salary reduction on a pay period by pay period basis, (3) the total amount of contribution expected to be involved, (4) a statement that the member may not receive the contributed amounts instead of having them paid by the Rapidan Service Authority to the VRS, and (5) an agreement that the member will not purchase the service credit through a lump sum payment during the period in which the salary reduction election is in effect; and it is further

RESOLVED, the member may revoke the salary reduction election only in the event of an unforeseeable emergency as that phrase is used and defined in IRC § 457 and applicable Treasury Regulation and if such a revocation is made, the member may not make a new salary reduction election during his period of employment; and it is further

RESOLVED that such contributions, although designated as member contributions, are to be made by the Rapidan Service Authority in lieu of member contributions; and it is further

RESOLVED that pick up member contributions shall be paid from the same source of funds as used in paying the wages to affected employees; and it is further

RESOLVED that member contributions made by the Rapidan Service Authority under the pick up arrangement shall be treated for all purposes other than income taxation, including but not limited to VRS benefits, in the same manner and to the same extent as member contributions made prior to the pick up arrangement; and it is further

RESOLVED that nothing herein shall be construed so as to permit or extend an option to VRS members to receive the pick up contributions made by the [Participating Employer] directly instead of having them paid to VRS; and it is further

RESOLVED that notwithstanding any contractual or other provisions, the wages of each member of VRS who is an employee of the Rapidan Service Authority shall be reduced by the amount of member contributions picked up by the Rapidan Service Authority on behalf of such employee pursuant to the foregoing resolutions.

Adopted in Madison, Virginia this 15 day of December, 2022.

Lee Frame Chairman
Printed Authorized Signature- Title

Authorized Signature- Title

December 2, 2022

Mr. David Jarrell
Operations Manager, Rapidan Service Authority
11235 Spotswood Trail
Ruckersville, VA 22968

RE: Detailed Design & Permitting – Madison WTP Plant and Intake Rehabilitation Project

Dear David:

Mangrum Consulting & Design is pleased to submit this scope of work for performing detailed design and related services for the Madison WTP Plant and Intake Rehabilitation Project in accordance with the Term Contract for Water and Wastewater Engineering Services. The detailed design process will produce construction documents ready for public bidding. This scope also includes VDH permitting and the development of a JPA package.

The intake portion of the project will entail replacing in-kind the existing bar screen, diversion channel & gate, and concrete apron. The plant portion of the project will entail constructing two new pre-treatment trains; demolition or rehab of the existing pre-treatment train; expansion of the existing filter building to accommodate an additional multimedia filter and associated piping and valves; installation of an additional backwash pump and necessary piping and valves to serve either filter; and, refurbishment of the existing filter, to include installation of a new underdrain system and media.

Construction documents will include a project manual consisting of all bidding, administrative and technical specifications required for the project and a comprehensive drawing set. The drawing set will include: Civil, demolition, erosion and sediment control, structural and electrical. Mangrum Consulting will also provide customary assistance during the bidding phase to facilitate bid opening and project award.

Mangrum Consulting will perform the above-described services for a proposed lump sum fee of **\$102,375** as summarized in the table below. This engineering fee matches the engineering fee submitted by RSA as part of the ARPA grant application. Bid ready documents will be submitted to RSA within 2.5 months from the notice to proceed. Billing would occur monthly on a percent complete basis. Subsequent proposals can be provided for construction phase assistance services upon request from RSA.

Madison WTP Plant & Intake Rehabilitation Project: Detailed Design Phase Fee Summary	
Survey by Marsh & Legge Land Surveyors (No markup)	\$4,900
Detailed Design	\$87,475
JPA and VDH Permitting	\$5,000
Bid Phase Assistance	\$5,000
Total	\$102,375

Thank you for this opportunity to work again with Rapidan Service Authority. If you have any questions, please do not hesitate to contact me at Rob@mangrumconsulting.com; or by phone at (434) 665-1515.

With Regards,



Rob Mangrum, P.E., BCEE

Consultant / Process Engineer

*Board Certified by the American Academy of Environmental Engineers
Water Supply and Wastewater Treatment*

ACCEPTANCE:

Date:

Title:
