

A regular meeting of the Board of Members of Rapidan Service Authority was held on December 21, 2023 at the Madison County Administration Building, Madison, VA.

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

Present:	Members:	Coppage, Elliott, Johnson, Marshall (2:07), Voorhees (2:02)
	Staff:	G.M. Clemons, D.A. Gaskins, Cindy Breeden
	Attorney:	Stefan Calos
	Guests:	Dave Davies

The agenda for the meeting was adopted on a motion by Coppage, seconded by Elliott, and passed 3-0 on a voice vote.

After a correction in the spelling of Attorney Calos's first name, the minutes of the November 16, 2023 meeting were approved on a motion by Coppage, seconded by Elliott, and passed 3-0 on a voice vote.

There was no old business.

When an opportunity for public comment was presented, Dave Davies from Lake of the Woods spoke. He pointed out that the proposed RSA operating budget has a projected 10% overall rate increase with a rate increase as high as 50% in some systems. He asked if these systems had been identified. GM Clemons explained that the Board was not adopting a rate increase at today's meeting and that the possible 50% increase applied to the Route 20 system. This is a well-based, water-only system that currently has the lowest rate of all of RSA's systems. Even if a 50% rate increase is applied, the system will continue to have one of the lower rates in the RSA system. RSA plans to do a rate study during the first half of 2024 to determine appropriate rates for its various systems.

There were no customer requests and no Board comment.

GM Clemons then presented the proposed 2024 operating budget. The RSA Board is required to pass an operating budget at its December meeting each year in order to satisfy the requirements of RSA's VRA bond covenants. A minimum net income before debt service of 115% of anticipated operating expenses is required, and the proposed budget provides 138%. GM Clemons pointed out that this is an operating budget only. It does not include non-operating revenue (such as availability fees) or expenses. In an effort to handle its funds wisely, RSA has avoided using non-operating revenue on operating expenses so that it can be allocated for capital projects or to build reserves. The proposed budget is based on an overall rate increase of 10% and includes a 5% COLA increase for all full-time staff. On a motion by Coppage, seconded by Voorhees, the Board voted to adopt the proposed operating budget on a unanimous rollcall vote.

RSA's 2024 proposed Board meeting schedule was then presented. Meetings are scheduled to alternate between Orange and Madison.

On a motion by Coppage, seconded by Voorhees, the Board unanimously adopted a resolution expressing appreciation for Lee Frame's service on the Board from 2008-2023.

On a motion by Coppage, seconded by Marshall, the Board unanimously adopted a resolution expressing appreciation for Jim Crozier's service on the Board during the last six years.

GM Clemons gave his report. A contract has been negotiated for the building on Route 29 in Madison that had previously been mentioned as a possibility for RSA's new office/maintenance department space for RSA staff who formerly worked out of Greene County. The final agreed on price was \$675,000 and settlement is scheduled for January 5, 2024. On another note, Gordonsville Town Manager Debbie Kendall has indicated that the Town will accept the contract RSA had previously offered them with regard to the purchase of water. Mr. Calos has gone through the contract and RSA has agreed to raise the daily purchase limit from 350,000 to 375,000 gallons, but nothing else has changed. GM Clemons will work with Mr. Calos on the final version and will bring the contract to the RSA Board for final approval at the next Board meeting after he has received the signed copy from Ms. Kendall.

On a motion by Johnson, seconded by Coppage, the Board voted on a unanimous voice vote to go into closed session for consultation with legal counsel on specific matters related to the Virginia Freedom of Information Act. (Please see motion attached to these minutes.) The Board went into closed session at 2:19 PM. It came out of closed session at 2:43 PM. The General Manager advised the Board that annual financial disclosure forms were being provided for each of them to fill out. The Board then voted unanimously to adjourn after a motion by Coppage, seconded by Elliot.

Chairman