

A regular meeting of the Board of Members of Rapidan Service Authority was held on December 18, 2025, at the Madison County Administration Building, Madison, VA.

A quorum was present and the meeting was called to order at 2:00 p.m., followed by the Pledge of Allegiance.

Present: Members: Coppage, Davies, Elliott, Johnson, Marshall

Staff: G.M. Clemons, D.O. Jarrell, D.A. Gaskins

Attorney: Stefan Calos(Arrived 2:09 pm)

Guests: Kyle Laux, Ethan Johnson, Gracie Caplice, Chuck Jackson

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

The minutes of the November 20, 2025 meeting were approved on a motion by Davies, seconded by Coppage, and passed unanimously on a voice vote.

During the opportunity for public comment, Chuck Jackson of Madison County raised questions about the public notification for the recent Madison County Board of Supervisors meeting that three RSA Board members attended. He said that he would like a copy of the notice for the meeting that was given. He had been informed that the notice was on the RSA website and assumed that it was on the front door but stated that FOIA required another location as well. He also mentioned that RSA members present at the meeting sat together and talked amongst themselves afterwards, and he asked were minutes of any discussion prepared? He asked that RSA get back to him regarding his questions.

There were no customer requests, and no Board member comments at that time.

Kyle Laux of Davenport & Company presented Davenport's financial study of RSA to the Board. The study included a brief summary of RSA's historical revenues and expenditures. Davenport pointed out that RSA is starting from a strong position in that current debt is modest, although it will need to keep an eye on its sources of income to ensure that it does not develop an undue dependence upon non-recurring sources such as availability fees. RSA hopes to begin work on a new sewer plant for Madison (expected cost - \$9 million) and improvements to the Madison water system (expected cost - \$4 million) in 2026. Of the \$13 million total required, RSA expects to need to borrow \$10 million. Two possible funding scenarios for these projects were explored, and Mr. Laux pointed out the advantages of interim financing and encouraged RSA to pursue that before switching to a permanent financing arrangement. Mr. Laux also suggested that the Authority consider adopting two financial policies. The first policy suggested is to maintain 365 days of cash on hand. The second policy suggested is to maintain debt service coverage of at least 1.5 times coverage. Both of these policies strengthen the Authority's position when searching for lenders. RSA currently meets both of these policy suggestions so it should not create any difficulty to accomplish them should the Board choose to adopt these policies. A general timeframe for "next steps" was outlined with the hope that RSA will be able to close on an interim financing loan by the end of March 2026.

G.M. Clemons then presented the 2026 proposed budget. He noted that although RSA has seen an increase in development, it continues to emphasize a prudent financial approach. He pointed out that the budget is a guide and that income could vary significantly based on weather. For several years RSA has sought not to use non-operational generated income for operational expenses but instead to use it to cover debt service and capital and will continue to do so. The Chairman mentioned the 2024 deficit and asked if things were heading in the right direction for 2025. G.M. Clemons said that he believed that they were. Davenport had suggested that RSA capitalize major expenses rather than expensing them in the purchase year as has been done in the past. RSA is following their recommendation and anticipates improved numbers for the future. With no further questions, on a motion by Coppage, seconded by Davies, the Board unanimously adopted the proposed budget as presented on a roll call vote.

Proposed Board meeting dates and locations for 2026 were then presented. On a motion by Coppage, seconded by Marshall, the Board unanimously approved the 2026 meeting schedule on a voice vote.

G.M. Clemons then gave his report. RSA has hired David Halbrook as its Communications Specialist. He is from Warrenton and has experience in the field. He is scheduled to assume his duties at RSA on January 5, 2026. The Board had previously asked G.M. Clemons to look into the possibility of a Board retreat, and he brought the subject up to the Board. Members indicated that they would find the opportunity to engage in a concentrated time of strategic planning helpful, and G.M. Clemons is going to check into possible locations and dates for a half-day retreat. G.M. Clemons then pointed out the current financial report. RSA continues to be in good shape in spite of the delay in the implementation of the rate increase early in the year which brought income down a bit from what was initially anticipated. He then drew Board members' attention to the financial disclosure forms which need to be completed for the coming year and expressed appreciation for the Board's time and service during the past year.

Attorney Calos then gave his report. Additional PFAS payments have been received bringing the total PFAS payment amount received to over \$68,000.

As the Board prepared to go into closed session, Mr. Davies brought up concerns regarding timely communication with the Board of significant events potentially affecting RSA. G.M. Clemons responded to his concerns, and then after a motion by Coppage, seconded by Elliott, on a unanimous voice vote the Board adopted the following motion to go into closed session at 3:06 p.m. : "Consultation with legal counsel and briefings by staff members pertaining to probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of RSA". Upon leaving the closed session at 3:42 p.m., Board members individually certified that only permissible topics had been discussed during the closed session. (See attached motion and certification)

With no further business to discuss, on a motion by Coppage the Board voted unanimously to adjourn at 3:42 p.m.



Chairman

**MOTION TO ENTER INTO CLOSED SESSION AT
THE REGULAR MEETING OF THE BOARD OF MEMBERS OF THE
RAPIDAN SERVICE AUTHORITY ON DECEMBER 18, 2025**

I move that the Board of Members of the Rapidan Service Authority enter into closed session for the following, pursuant to Virginia Code section 2.2-3711(A)(7):

Consultation with legal counsel and briefings by staff members pertaining to probable litigation, where such consultation or briefing in open meeting would adversely affect the negotiating or litigating posture of RSA.

Motion by: Coppage

Seconded by: Elliott

The motion passed unanimously by voice vote.

Upon leaving the closed session and entering back into open session, please state the following:

Pursuant to Virginia Code § 2.2-3712(D), (i) only public business matters lawfully exempted from open meeting requirements under the Virginia Freedom of Information Act, and (ii) only such public business matters as were identified in the motion by which the closed meeting was convened were heard, discussed, or considered in the closed meeting by the RSA board. Should any members of the board believe that there was a departure from the foregoing requirements, please so state at this time, prior to the vote, and indicate the substance of the departure that, in their judgment, has taken place.

I would ask each Board Member to certify that the foregoing requirements were met, by saying "AYE".

Coppage	<u>X</u>
Davies	<u>X</u>
Elliott	<u>X</u>
Johnson	<u>X</u>
Marshall	<u>X</u>

All Board Members certified by saying "AYE", except _____