



**RAPIDAN SERVICE AUTHORITY
BOARD OF MEMBERS AGENDA**
15-Jan-26

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**NOTE: MEETING TO BE HELD AT THE ORANGE COUNTY PUBLIC SAFETY BUILDING AT 2:00 PM.
11282 GOVERNMENT CENTER DRIVE, ORANGE, VA 22960**

TO VIEW THE MEETING VIRTUALLY, VISIT

<https://youtube.com/live/e8z1LvafZgU?feature=share>

Rapidan Service Authority

Current Officers

Chairman	Mark Johnson
Vice-Chairman	Troy Coppage
Secretary-Treasurer	Tim Clemons
Assistant Secretary	Trace Gaskins

Pursuant to RSA Bylaws, the Board elects' officers at the January meeting for the upcoming year.

Mr. Gaskins is not eligible to serve again as he will be leaving RSA employment February 4, 2026.

Tim Clemons
General Manager/RSA
January 2026

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: Elliot

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 _____



Memorandum

To: RSA Board of Members

From: David Jarrell, Assistant General Manager

Date 1/12/2026

Subject: Wilderness Waterworks Consent Order Update #2

Pursuant to requirements established in the June 13, 2025 Order of Consent between Rapidan Service Authority and the State Board of Health, RSA is required to submit quarterly updates detailing progress toward Corrective Actions agreed upon by RSA and the Virginia Department of Health Office of Drinking Water Culpeper Field Office (CFO) in a Corrective Action Plan and Schedule.

This 2nd Quarterly Update, as shared below, is also posted on the RSA website at <https://www.rapidan.org/wilderness-waterworks-consent-order> along with other documents pertaining to the Order of Consent.

Corrective Action Plan and Schedule

Quarterly Progress Report No. 2

Corrective Action Plan Item	Corrective Actions	Deadline
1.	<p>Task: Continue implementing operational changes to actively and routinely monitor raw water quality and odor, including an updated raw monitoring schedule and recording results on daily bench sheets.</p> <p>Corrective Action: RSA has implemented operational changes by requiring the plant staff to observe the raw water quality and any odor at the plant pre-sedimentation basin at plant start-up and every four hours while operating. The observations are noted on the plant daily bench sheets.</p>	<p>COMPLETED Corrective Action Completed on November 22, 2024</p>
2.	<p>Task: Continue implementing policies and procedures to ensure infrastructure improvements at Wilderness waterworks are closely monitored and overseen with a proactive construction inspection program before equipment is placed into operation.</p> <p>Corrective Action: Prior to placing any critical piece of equipment in service, RSA requires on-site inspection by an RSA Manager or consultant. A "critical piece of equipment" is equipment for which the equipment's failure is likely to negatively impact the quality or reliability of the water provided to customers. RSA will have a written standard operating procedure (SOP) completed by December 31, 2025. This policy and procedure will be implemented by RSA via communication with RSA staff and contractors and sharing the SOP with them. Revisions to the SOP and further training will be conducted as needed.</p>	<p>Complete Development and Initial Implementation of SOP by December 31, 2025</p> <p>COMPLETED The SOP was finalized on December 10, 2025 and submitted to VDH ODW on December 16, 2025.</p>

3.	<p>Task: Create an asset management plan.</p> <p>Corrective Action: The creation of an asset management plan is underway and will be completed by June 13, 2027.</p>	<p>Complete by June 13, 2027</p> <p><u>IN PROGRESS</u> Work on this item is underway with the gathering of data.</p>
4.	<p>Task: Review, and revise, if necessary, RSA's emergency management plan as required by EPA for community water systems.</p> <p>Corrective Action: RSA has already reviewed and updated its Emergency Management Plan as required by EPA for community water systems. It was reviewed by an EPA representative on June 25, 2025. The EPA representative confirmed that the 2021 version as well as the 2025 update met or exceeded all of EPA's requirements.</p>	<p><u>COMPLETED</u> Corrective Action Completed on June 25, 2025</p>
5.	<p>Task: Develop and implement a standard operating procedure to improve methods of customer notification and outreach for both emergency and non-emergency events.</p> <p>Corrective Action: RSA has already made improvements to the frequency and methodology of customer notification delivery. RSA will have a formal SOP written and implemented by training relevant staff on the SOP by September 30, 2025. Revisions to the SOP and further training: will be conducted as needed.</p>	<p>Complete Development and Implementation of SOP by September 30, 2025</p> <p><u>COMPLETED</u> The initial draft was completed on August 28, 2025, with final completion on September 17, 2025. Training with staff was held on September 26, 2025.</p>

6.	<p>Task: Complete ongoing upgrades to the existing water treatment plant consisting of a new one million gallons per day treatment train and raw water intake modifications.</p> <p>Corrective Action: These upgrades will be completed as part of the following ongoing construction projects: Germanna-Wilderness Water Improvements Plan (G-WWIP) Phase IA and Phase IB.</p>	<p>Complete by December 31, 2026</p> <p><u>IN PROGRESS</u> The new electrical gear, permanent wiring, and intake pumps have been installed. No other major project components remain. The project is nearing final completion.</p>
7.	<p>Task: Install security upgrades, including a camera at the intake.</p> <p>Corrective Action: RSA has installed an access control system for buildings at the water treatment plant. A security camera is being added to RSA's CCTV system to monitor the raw water intake area.</p>	<p>Complete by December 31, 2025</p> <p><u>COMPLETED</u> The camera at the intake was operational on September 17, 2025</p>
8.	<p>Task: Submit to CFO, for review and approval, a preliminary engineering report, signed and sealed by a professional engineer, for installation of granular activated carbon filtration (the PER).</p> <p>Corrective Action: RSA is authorizing a consulting engineering firm to develop a water quality profile of the existing system, a coagulation study, a disinfection byproduct formation study and a granular activated carbon (GAC) polishing pilot study. These studies will inform recommendations for future treatment options in the PER, including installation of GAC filtration. RSA will submit the PER to CFO for approval.</p>	<p>Submit PER to CFO by December 31, 2026</p> <p><u>IN PROGRESS</u> In December, RSA authorized a consulting engineering firm to initiate development of a PER regarding carbon treatment.</p>



Memorandum

To: RSA Board of Members
From: David Jarrell, Assistant General Manager
Date 1/12/2026
Subject: Capital Projects Update

Madison

Project: Madison WWTP Upgrade

Description: The 1970s facility will be replaced with a modern Sequencing Batch Reactor (SBR) plant to ensure continued regulatory compliance and allow for system growth.

Status: Pending County site plan approval

Cost: \$8,827,344

Grant: ~\$3.2M

Net to be financed: ~\$5,627,344

Expected Completion: Q3 2027

Orange

Project: Route 20 Metering & Pressure Reduction Vault

Description: A new metering and pressure-reducing vault will be installed between the Town of Orange and RSA's Route 20 water system. This will allow RSA to purchase treated water from the Town per the existing contract. The existing groundwater wells have struggled to provide consistent quality and quantity of water.

Status: Construction pending receipt of materials

Cost: \$497,844

Expected Completion: Q2 2026

Project: Lake of the Woods Vacuum Sewer Monitoring

Description: Install new vacuum interface valves and remote monitoring equipment at “high-risk” sites around the lakes. This will allow for a proactive response to equipment malfunctions, meant to reduce surface water impacts.

Status: Invitation to Bid issued

Estimated Cost: \$2M

Project: Lake of the Woods Vacuum Pump Station Upgrades

Description: A 2024 study identified the need to upgrade the 13 vacuum pump stations in Lake of the Woods. A fee has been implemented to fund this project, and funds are being sequestered for that purpose. Legal counsel is working to develop procurement documents for a “Design-Build” approach. Due to the size and financial impact of this project, staff will be pursuing all feasible funding opportunities before proceeding.

Status: Planning and Funding Search

Estimated Cost: \$23M

Project: Wilderness WTP Phase 2 Expansion

Description: The Phase 2 Improvements will add activated carbon treatment (PAC and GAC) to manage taste and odor, disinfection byproducts, and other emerging contaminants. Other proposed improvements include additional raw water storage, pre-treatment facilities, and finished water storage. These improvements can be designed to utilize all Phase 1 additions.

Status: Preliminary Engineering

Estimated Cost: \$31M



Memorandum

To: RSA Board of Members

From: David Jarrell, Assistant General Manager

Date 1/12/2026

Subject: Lead Service Line Inventory Update

Some customers recently received letters from RSA notifying them that their water “service line” is made of an “unknown material.” This is in accordance with requirements under the Environmental Protection Agency (EPA) Lead and Copper Rule (LCR). Service lines are the pipes between RSA's distribution mains and customer buildings. A service line is made up of two parts: a "Public" section between RSA's distribution main and the water meter and a "Private" section between the water meter and the customer's building.

In 2024, RSA was required to submit to the Virginia Department of Health Office of Drinking Water (VDH ODW) an inventory of all “service lines” that serve its customers to determine whether there were any lead materials that could cause harm to customers. Over the past few years, staff have invested hundreds of hours of labor in the office and in the field to properly identify these service line materials. Fortunately, we have not found any lead pipes in our water systems as of today. Over the next two years, we will perform further field investigations to reclassify the remaining “Unknown” lines.

Our website (<https://www.rapidan.org/service-line-inventory>) serves as a great resource for any customers with questions about this service line inventory process. In addition to an explanation of the EPA requirement, we detail how customers can identify their own service line material. Additionally, we provide a link to the current inventory so that the public can easily look up information on their own service line. We welcome any feedback on how this page can be revised to be more helpful for our customers.



Memorandum

To: Tim Clemons, GM
From: Trace Gaskins, DoA
CC:
Date: January 12, 2026
Re: 2026 RSA Board Retreat

Tim,
I sent a survey to the RSA Board members, as well as Mr. Calos, to determine availability for the RSA Board retreat. The date with the most positive responses was Thursday, January 29th.
I have reserved the Orange County Airport conference room for that day, beginning at 9:00 a.m.

RAPIDAN SERVICE AUTHORITY

December-2025

Operating Income	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Water & Sewer Revenue - Madison Co.	54,448	56,283	(1,835)	698,091	675,400	22,691
Water & Sewer Revenue - Orange Co.	783,817	804,808	(20,991)	9,304,994	9,657,700	(352,706)
Sale of Materials & Supplies	2,089	1,667	422	13,413	20,000	(6,587)
Engr & Maint Revenue	2,160	1,750	410	5,040	21,000	(15,960)
Service Fees	-	1,667	(1,667)	5,906	20,000	(14,095)
Misc. Income	73,944	29,817	44,127	381,552	357,800	23,752
Service Installations Revenue	25,600	16,667	8,933	230,950	200,000	30,950
Total Operating Income	942,057	912,658	29,399	10,639,946	10,951,900	(311,954)
Operating Expenses	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Purchased Water	49,992	49,817	(175)	729,601	597,800	(131,801)
Operating Labor	197,146	217,250	20,104	2,120,773	2,607,000	486,227
New Service Installations	4,405	11,808	7,404	108,343	141,700	33,357
Locations-Miss Utility	5,718	6,533	816	87,147	78,400	(8,747)
Engineering & Maintenance	159,892	140,983	(18,908)	2,335,314	1,691,800	(643,514)
Water Treatment Supp.	51,262	67,217	15,955	764,598	806,600	42,002
Utilities	90,144	79,625	(10,519)	973,412	955,500	(17,912)
Vehicle Expense	7,424	12,858	5,434	171,568	154,300	(17,268)
Testing	14,055	7,167	(6,889)	112,554	86,000	(26,554)
Biosolids Waste Mgmt	99	3,042	2,942	32,606	36,500	3,894
Miscellaneous	-	-	-	1,026	-	(1,026)
Total Operating Expenses	580,135	596,300	16,165	7,436,943	7,155,600	(281,343)
Gross Margin	361,922	316,358	45,564	3,203,002	3,796,300	(593,298)
General & Admin Expenses	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Billing & Collection Exp	5,124	10,683	5,559	111,756	128,200	16,444
G & A Labor	69,787	86,750	16,962	924,070	1,041,000	116,930
Comp. Board of Members	596	667	71	7,038	8,000	962
Insurance Premiums	40,988	12,625	(28,363)	162,477	151,500	(10,977)
Bank & Credit Card Fees	766	750	(16)	7,997	9,000	1,003
Offices Expenses	18,295	17,171	(1,124)	249,279	206,050	(43,229)
Legal/Bond Fees	14,228	5,333	(8,895)	178,053	64,000	(114,053)
Water Regulatory Fees	225	3,558	3,333	40,289	42,700	2,411
Audit & Other Consulting	23,514	3,083	(20,431)	64,673	37,000	(27,673)
Total General & Admin Expenses	173,524	140,620	(32,903)	1,745,634	1,687,450	(58,184)
Net Operating Income	188,398	175,738	12,661	1,457,369	2,108,850	(651,481)
Non-Operating Income	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Avail. - Water & Sewer - Madison Co.	-	-	-	20,000	-	20,000
Avail. - Water & Sewer - Orange Co.	80,000	-	80,000	2,940,000	-	2,940,000
Interest Earned	27,973	25,000	2,973	397,161	300,000	97,161
Gain Loss on Disposals of Property	-	-	-	5,363	-	5,363
Non Operating Revenue Cap Contr.	-	-	-	298,860	-	298,860
Insurance Recoveries	-	-	-	109,240	-	109,240
Total Non-Operating Income	107,973	25,000	82,973	3,770,623	300,000	3,470,623
Net Income Before Debt Service	296,372	200,738	95,634	5,227,992	2,408,850	2,819,142
Debt Service	PTD Act	PTD Bud	Variance	YTD Act	YTD Bud	Variance
Debt Service	-	70,525	70,525	821,032	846,300	25,268
Net Income	296,372	130,213	166,159	4,406,960	1,562,550	2,844,410