



Albemarle County

Legislation Text

File #: 19-559, **Version:** 1

AGENDA DATE: 11/20/2019

TITLE:

Joint Resolution to Terminate Buck Mountain Surcharge

SUBJECT/PROPOSAL/REQUEST: Present the Joint Resolution to terminate the Buck Mountain surcharge implemented in 1983.

ITEM TYPE: Consent Action Item

STAFF CONTACT(S): Richardson, Kamptner

PRESENTER (S): Jeff Richardson

LEGAL REVIEW: Yes

REVIEWED BY: Jeffrey B. Richardson

BACKGROUND: In a "Joint Resolution" of 1983, the City of Charlottesville and the Albemarle County Service Authority (ACSA) requested the Rivanna Water and Sewer Authority (RWSA) to purchase property for the proposed Buck Mountain Reservoir. The City and the ACSA also agreed to collect a surcharge for each new water service connection in the City and in the urban water area of the County. The surcharge collection began July 1, 1983. The surcharges collected have been remitted to RWSA for the purpose of paying the debt incurred under the bonds.

The 1983 Joint Resolution provided that the obligation of the City and the Service Authority to collect the surcharge would terminate upon the retirement of the long-term debt financing incurred by Rivanna for the land acquisition.

STRATEGIC PLAN: Quality Government Operations: Ensure County Government's capacity to provide high quality service that achieves community priorities

DISCUSSION: From 1984-1987, RWSA purchased 1313 acres totaling \$6.95 M for the reservoir site. While the reservoir was never constructed due to the presence of the James Spiny mussel, a state and federally-listed endangered species, 600 acres of the property were preserved in 2013 to mitigate the environmental impacts of the Ragged Mountain Dam project. The bonds issued by RWSA were subsequently refinanced with bonds issued by RWSA for other projects. As a result of such refinancing it cannot be determined exactly when such long-term debt financing for the Buck Mountain Reservoir land acquisition has been retired.

The attached resolution (Attachment A) states that the parties have agreed that it is no longer necessary to collect this surcharge to pay the long-term debt financing for purchase of the property. Attachment B provides additional historical detail supplied by the Executive Director of RWSA. The letter states that the Bond Trustee has approved termination of the surcharge and that the RWSA Board has approved removing the surcharge.

BUDGET IMPACT: There is no anticipated budget impact.

RECOMMENDATION:

Staff recommends that the Board adopt the attached Resolution (Attachment A) to approve the termination of the Buck Mountain Surcharge.

ATTACHMENTS:

Attachment A: Joint Resolution

Attachment B: Letter from Rivanna Water and Sewer Authority Executive Director