

- b. **RESOLUTION**: \$22,595 – Reprogramming CDBG Funds from Urban Vision to AHIP
- c. **RESOLUTION**: \$20,222 – Reprogramming CDBG Funds from Handicapped Access Account to Small Rehabilitation Account
- d. **RESOLUTION**: Accepting Brookwood Lane and a Portion of Brookwood Drive into City Street System
- e. **RESOLUTION**: Authorizing Grant Application from Land & Water Conservation Fund
- f. **ORDINANCE**: “AN ORDINANCE AMENDING AND REORDAINING ARTICLE I (IN GENERAL) ARTICLE II (EROSION AND SEDIMENT CONTROL) OF CHAPTER 10 (WATER PROTECTION) TO COMPLY WITH STATE REQUIREMENTS FOR EROSION AND SEDIMENT CONTROL” (2nd reading)
- g. **ORDINANCE**: “AN ORDINANCE AMENDING AND REORDAINING SECTIONS 34-61, 34-62, 34-64 and 34-1200 OF CHAPTER 34 (ZONING) OF THE CODE OF THE CITY OF CHARLOTTESVILLE RELATING TO CONDITIONAL ZONING” (2nd reading)

PUBLIC HEARING/REPORT: WATER SUPPLY PLAN

Mr. Tom Frederick, Executive Director of the Rivanna Water and Sewer Authority, said that this has been a lengthy and complex process. He reviewed the history of the water supply efforts. He said he is certain that the approved project will be permitted. He said the plan balances the ecological needs with the needs for water. He said numerous public meetings have been held.

Mr. Lynch asked Mr. Frederick to speak to the cost, how it will be paid for, and how it will be phased in.

Mr. Frederick said that a public meeting was held in September regarding phasing. He said the options are: build the Ragged Mountain dam and pipeline all at once (most expensive); build the dam in phases and build the pipeline in the first phase; build the Ragged Mountain dam now and defer and phase in the remainder. He said the \$37 million would be financed by debt service. He said the cost share agreement is being negotiated between the City and Albemarle County staff. He said Rivanna is not a direct party in the negotiations. He said the entire 50 year plan is estimated to cost \$142 million, but he noted that this looks at all aspects of the water supply and treatment, including aging infrastructure, and is not solely for growth.

Mr. Lynch said that a bladder was explored in 2002, and while it would have been cheaper it was not allowed. He noted that RWSA’s budget has increased even with the

City water use declining. He asked what infrastructure has been replaced in the last five years.

Mr. Frederick said a line at the University has been replaced, and funds have been used for planning and design.

Responding to a question from Mr. Taliaferro, Mr. Frederick said that dredging was found to be more expensive and was set aside as an alternative.

Mr. Lynch asked what happens to the reservoir if it completely silts up.

Mr. Frederick said maintenance is not always the most prudent thing to do when the cost outweighs the initial investment. He said he believes that eventually equilibrium at the reservoir will be achieved, but it will be a smaller body of water. He said sedimentation needs to be prevented.

Ms. Hamilton said she has heard that the cost of dredging is prohibitive, but she said she has never seen the numbers. She also asked about the Shadwell Quarry.

Mr. Frederick said he has asked for an update from the 2004 numbers, but dredging down to bedrock was estimated to cost between \$200 million and \$225 million depending on disposal. He said it could be done over a period of years. He said he has no detailed information on the Shadwell Quarry and no study has been done. He said only a cursory look at it has been taken. He said some initial concerns are that the water quality is better in the western part of the county, and it would take significant piping to access the Quarry. He said the Rivanna River is designated scenic in that area and scenic rivers cannot have reservoirs.

Mr. Norris said that while he is not concerned about the semantics about whether or not the land we are losing is park land, he would like to know what the replacement plan is.

Mr. Frederick said he is aware that the City owns the property and compensation is being discussed. He said geotechnical work will determine the area. He said negotiation on compensation usually happens later in the process, but he is hearing that Council may want to change that.

Mr. Norris commended RWSA for its public process. He said the challenge is to ensure that the public participation is adhered to. He encouraged RWSA to continue its commitment to open information.

The public hearing was opened.

Ms. Colette Hall, 101 Robertson Lane, said that more and more services are becoming regional. She questioned why water usage in the City and County varied in the

drought, which she said was unfair to City residents. She said water restrictions must be regional if the supply is regional.

Ms. Dede Smith, 2652 Jefferson Park Circle, said that the water supply plan is not good for the City and the price is too high. She said the City will need less water than it does today. She said we will give up 180 acres of recreational land. She said the Sugar Hollow reservoir pipeline will be cut off which is the cleanest water for the City. She said the plan calls for abandoning the South Fork reservoir. She said she thinks there are options out there that have not been fully explored. She said the plan can change again.

Mr. Richard Collins, 108 Wilson Court, said he was Chair of the Rivanna Water and Sewer Authority in 2002, and the water supply plan was revised after he was not reappointed. He said environmental groups were happy that the James River option was dropped. He said nothing will be held up by examining other options. He said we can do it much less expensively, more ecologically responsible and more fairly.

Dr. Joe Mooney, 201 Sunset Avenue, said it is discouraging to hear that RWSA does not know what is going to happen to the South Fork reservoir. He said if we dredge at South Fork we could decrease the dam at Ragged Mountain. He said he disagrees with the cost estimate for dredging, noting that the company that does not dredging gave the cost estimate. He said he thinks it was a conflict of interest for them to give the estimates, and feels new estimates are needed. He said there is more modern dredging technology available.

Ms. Betty Mooney, 201 Sunset Avenue, said Charlottesville's water usage has dropped and will continue to drop as we replace our water system. She said we need to make sure the City does not bear the heaviest burden. She noted there will also be a loss of a significant number of trees at Ragged Mountain. She requested that Council ask the following of RWSA: a written watershed plan; a feasibility study and cost of dredging both reservoirs; and an assessment of the true cost of the plan and cost share. She said more information is needed.

Mr. Ridge Schuyler, 112 Robinson Woods Drive, Director of the Piedmont Nature Conservancy, said that when Council voted to approve the 50 year water plan it accomplished the following: water demand met; stream flows restored; and supply kept in watershed. He said that the decision was made as a result of a lot of data. He said overarching threats are sediment and altered flows, and the plan achieves the flows. He noted that the trails lost at Ragged Mountain will be moved, but the endangered species that would have been impacted with other options could not be moved.

Mr. Jeff Werner, land use field officer for Piedmont Environmental Council, said that easements are the way to reduce sediment. He said several environmental groups were involved and came together in the process, including the League of Women Voters. He said there are still questions to ask. He said the primary concern is keeping the supply local. He urged Council to keep moving forward. He said there is a lot of new

development in the City and the City is not static relative to growth. He urged Council to be thoughtful.

Mr. Tom Jones, a resident of Albemarle County who lives adjacent to the Rivanna Reservoir, said he is concerned about the sustainability of the reservoir because of the amount of siltation, and encouraged Council and RWSA to re-explore the situation. He said siltation is caused by development in the City as well.

As there were no further speakers, the public hearing was closed.

Mr. Lynch said that the focus in developing the water supply plan was preventing a bad idea (James River option), and we jumped at the alternative. He said we have not asked if this is the best we can do locally. He said he does not think so. He said we have a 50 year plan but nothing requires us to build it all at once right now. He said we should plan on how we can do it incrementally. He said he is concerned about the cost to the City and the loss of land and water quality. He said we should talk to the County about protecting the rivers. He said it is debatable about how much of the \$140 million is for growth versus maintenance. He said he would guess a lot is for expansion. He said water usage in the City has steadily declined, but the cost has doubled since 2000. He expressed concern about the cost doubling again, but being unable to point to anything better. He said there are bigger issues we need to look at. He said we have to repair the Ragged Mountain dam, but he thinks there will be better options in 20 years. He said the cheaper option would be to put a bladder at the South Fork dam, which would cost between \$10 and \$12 million, but it was shot down by the Army Corps of Engineers. He said he does think the current regulations will be in place in 20 years. He said there is also the Quarry option, and he thinks dredging is a huge option. He said we should maintain what we have at the South Fork reservoir. He said he thinks we will see cheaper dredging techniques. He said there has been a good start with the public process and plan. He said we should be careful before we sign onto a \$140 million project when the City does not need it. He said RWSA needs to come up with replacement park land.

Mr. Norris said he agrees with much of what Mr. Lynch has said. He said some of the requests made by Dr. Mooney seem reasonable, and said he would like more information on the cost estimates. He said there is a lot of merit in the idea of analyzing the alternatives, including a better analysis of siltation prevention. He said he strongly agrees about compensation for lost park land and one for one tree replacement.

Mr. Taliaferro said he agrees with Mr. Lynch and Mr. Norris. He asked if Council was in such a hurry that some options were disregarded. He said he would like to take a closer look at dredging.

Dr. Brown noted that Council spent a lot of time on this issue, and was provided a lot of information about dredging. He said the cost was huge, especially for treatment and storage. He said several joint meetings were held with Albemarle County officials. He said the environmental community pushed to keep the supply in the watershed. He said our hands are tied by the rules. He said we cannot develop a plan based on our hope

that the regulations will change in 20 years. He noted that the plan was approved by a unanimous vote of the Council and the Board of Supervisors. He said one of the big positives of the plan is restoring the health of the Mormon's River. He said a big challenge is how to pay for the plan. He said he would like to implement more storage, noting that we are in a drought right now. Dr. Brown said it would be great to look more at dredging and to see if there is cheap technology that would allow us to protect the reservoir even if it did not increase the water supply. He said he is interested in being responsive to the concerns he has heard, such as new dredging techniques, cost share, and ways to compensate the community for loss of land. He noted that the land was acquired for the purpose of having a reservoir.

Ms. Hamilton said there does not appear to be a plan for the siltation in the reservoir. She suggested exploring putting it at Panorama Farms. She agreed there was a tremendous effort in coming up with a plan, but noted that there were no meetings after the plan was approved.

Mr. Norris said he wanted to clarify that he does not think the additional information requested is meant to derail the planning process or to revisit the plan. He said he has been convinced by the environmental community, but thinks it can be a better plan.

Mr. Lynch said that dredging was talked about a lot. He said he thinks it is clear that it was presented as an option so it could be eliminated. He said he does not think we have great information about it. He said he thinks the regulatory environment is subject to change. He said we need to be more proactive about what we really want. He said we have alternatives. He said he is concerned about the level of the dam at 45 feet. He said he would like to see the plan keep the reservoir away from Interstate 64 and lower the height of the dam. He said during our worst drought the reservoir was still 70% full. He said we build reservoirs so we have water when it does not rain.

PUBLIC HEARING/ORDINANCE: ACCEPTING BIDS AND AMENDING LEASE FOR BUFORD SCHOOL PROPERTY (BOYS & GIRLS CLUB PROJECT LOCATION)

Mr. Mike Svetz, Director of Parks and Recreation, said that the footprint for the Boys and Girls Club Project has been revised because of the proposal to redevelop Smith Pool, so the lease, approved in 2003, has to be revised. He said the land will be a similar size.

Ms. Allyson Davies, Assistant City Attorney, said that Council needs to accept the bid, ask if there are other bids, close the bids, and hold a public hearing. She said there are no significant changes to the lease, but the 40 year term is proposed to start again.

Mr. Brown said that one bid was received from the Boys and Girls Club.

Dr. Brown asked if there are any other bids, but hearing none closed the bids.

Mr. Svetz said that staff recommends that the proposal of the Boys and Girls Club be accepted.

The public hearing was opened.

Mr. Downing Smith, 810 Locust Avenue, said that he opposes the lease amendment. He said it is four years into the original agreement and there is nothing to show for it. He said the Boys and Girls Club could be in default of the lease. He suggested that the negotiation be reopened. He said he supports the Boys and Girls Club, but not this proposal.

Mr. Tom Jones, Board Member for the Boys and Girls Club and Chair of the Building Committee, said he appreciates Council's efforts to turn around the lease quickly. He said the proposal will be a win for all parties and will make for a better facility and access as well as save money. He said the Boys and Girls Club is in the midst of a capital campaign.

As there were no further speakers, the public hearing was closed.

Mr. Lynch asked if consideration was given to having the Boys and Girls Club and Smith Pool under one roof.

Mr. Jones said that the Boys and Girls Club did not want the facilities under one room partly because of the layout of the site and in order to keep the identity of the Boys and Girls Club, which is an important factor in funding raising. He said there is also the issue of accountability, control and accessibility, and there were no operational savings.

Mr. Svetz said that it would have been difficult architecturally to combine the facilities.

Ms. Hamilton said that Council discussed having it under a single roof, and she thought that Council not wanting to do that was also a contributing factor.

Mr. Norris said he is convinced by Mr. Jones' reasoning that there is merit to having two facilities, though he does there think there will be economies of scale to be realized. He said he has no doubt the Boys and Girls Club can raise money and do it right. He said there is broad community support for the project and he is in favor of it.

Ms. Hamilton said the process is different with this project, and it took awhile to get the details right. She said she feels good about what the Boys and Girls Club is doing. Ms. Hamilton suggested having a design competition for the other pool facilities.

Mr. Taliaferro said he supports the plan and feels the Boys and Girls Club does a good job and it will be good for the City.

On motion by Mr. Taliaferro, seconded by Mr. Lynch, the ordinance entitled “AN ORDINANCE AUTHORIZING THE LEASING OF REAL PROPERTY WITHIN THE CITY OF CHARLOTTESVILLE, COMMONWEALTH OF VIRGINIA, LOCATED ON A PORTION OF BUFORD MIDDLE SCHOOL GROUNDS, AT 617 9TH STREET, S.W. AND IDENTIFIED AS PARCEL NO. 192 ON CITY TAX MAP NO. 23 AND IN DEED BOOK 253, PAGE 37” was offered and carried over to the next meeting for consideration.

PUBLIC HEARING/APPROPRIATION: YEAR END ADJUSTMENTS FOR FISCAL YEAR 2007

Mr. Bernard Wray, Director of Finance, said there is a carryover balance of \$6.7 million from fiscal year 2007 due to the following revenues which came in over budget: sales and use taxes (\$1.098 million); lodging taxes (\$356.436); and parking garage revenue (\$682.497). In addition, interest income increased \$455,643 over budget because of rising interest rates. He said personal property taxes came in \$1,045,211 over budget and real estate taxes came in \$1,070,928 over budget due to higher than budgeted assessment increases. BPOL came in \$714,900 over budget due to better than budgeted performance. He said a slow-down is being seen now in real estate assessments, and an increase of between 2% and 4% is being forecast for residential property. He said that the current ordinance requires that the surplus be put in the CIP unless Council decides otherwise.

Responding to a question from Mr. Lynch, Mr. Wray said an increase of between 15% and 17% is forecast for commercial properties.

Mr. O’Connell said that Council guidance on the use of the surplus will be useful.

Responding to a question from Mr. Lynch, Mr. Wray said the amount of carryover funds is \$3.8 million.

The public hearing was opened.

Ms. Colette Hall, 101 Robertson Lane, noted that this is another multi-million dollar surplus and residents are crying foul. She said two Councilors are proposing to return a flat rate to tax payers, but she questioned how fair it is to return a flat amount. She said that while she is not against staff’s recommendation to designate \$5 million of the surplus for Smith Pool redevelopment and \$1.58 million for technology in the City Schools, she noted that this would only help select sections of the community. She said the surplus should be used for projects that benefit the entire community such as sewer improvements.

Mr. Downing Smith, 810 Locust Avenue, said that Council does not have to spend the surplus, and could invest the money. He said that while it is a good gesture to

give the money back, the small amount will not help him much. He suggested using the surplus to make the bus system free.

As there were no further speakers, the public hearing was closed.

Ms. Hamilton asked if the carryover funds will mean that departmental budgets will be reduced next year by this amount.

Mr. O'Connell said not necessarily, though in some cases it could lessen in the impact for future years.

Dr. Brown said that if there were savings in departments he would like to see some of it saved rather than spent, and suggested that \$100,000 or \$200,000 be identified in the carryover funds to put into the CIP.

Mr. Taliaferro said he does not want to see us penalize operating departments because they saved money.

Mr. Lynch said the year end appropriation has been a perennial concern to him as it is essentially outside of the budget process. He said a better explanation of what the carryover funds will be used for would help.

Mr. O'Connell said that all of the items included in the carryover funding appropriation went through the regular budget process.

Mr. Norris said one of the dangers in not allowing the carryover funds is that departments may rush to spend the amount in their budgets at the end of the fiscal year. He said he would like to see how we can balance encouraging prudence and trying to recoup savings for other needs. He said that most of the carryover requests seem reasonable, but a couple may merit further investigation.

Mr. Lynch asked why the revenue for the City Market increased so much that there is a surplus, and Mr. Svetz said that gross sales for the market increased substantially.

Responding to a question from Mr. Norris, Mr. O'Connell said that a reserve of 12% is kept for catastrophic needs and to maintain our bond rating. He said that amount is not used for operations. He said a city-wide reserve is proposed from the overall unexpended budget to deal with anticipated cost increases related to fuel costs and snow removal and to protect this fiscal year's budget.

Dr. Brown suggested moving the appropriation, noting that there will be time to reduce the carryover amounts if desired at the second reading.

On motion by Mr. Norris, seconded by Mr. Lynch, the Year End Appropriation for Fiscal Year 2007 was offered and carried over to the next meeting for consideration.