



NEWS RELEASE

CITY OF NEWPORT NEWS

2400 Washington Avenue, Newport News, Virginia 23607 • (757) 926-8501 • fax (757) 926-3514
www.nngov.com • email: city@nngov.com

FOR IMMEDIATE RELEASE

April 30, 2009

Media Contact:

Kim Lee, Coordinator of Media Relations
(757) 926-3685, (757) 508-2782 - cell
klee@nngov.com

King William Reservoir Activity Suspended *City responds to Corps' notification*

Newport News, Va., - Newport News City Manager, Randy Hildebrandt has suspended activity on the King William Reservoir project. This is in response to a call he received from the Norfolk District of the U.S. Army Corps of Engineers yesterday stating that they were suspending the project's federal permit.

The proposed King William Reservoir project has been a principle element of the region's long term water supply plan since 1993. The reservoir project emerged from a rigorous analysis, evaluation and permitting process as the least environmentally damaging project capable of meeting the region's need for more water through the middle of the 21st century. Early in the process 37 alternatives were evaluated before selecting the King William Reservoir project as the preferred regional strategy. The project received the necessary State and Federal permits, but permitting agencies placed numerous limitations and restrictions on the project in response to continuing and fervent opposition. Newport News and its project partners persisted in their efforts in the belief that the project ultimately would be successfully implemented, spending more than \$50 million in the process since 1987.

The March 31, 2009 court decision by the U.S. District Court for the District of Columbia deeming that the U.S. Army Corps of Engineers and the Environmental Protection Agency were "arbitrary and capricious" in some of their permit-related actions, and the Corps' subsequent indication that they plan to suspend the Section 404 permit for the project, are the most recent setbacks suffered by the project. Efforts to build the reservoir have faced a number of other serious setbacks and survived the process over the past ten years. However, it has become apparent to the City that there is an increasing risk about whether the reservoir, river intake and associated pipelines can be built in light of all the challenges remaining. This most recent Corps action has

triggered Newport News City staff to reassess whether continuing to expend public dollars on a project that is increasingly unlikely to be built is a prudent course of action, regardless of how much potential benefit could ultimately derive from the project if built.

“Accordingly, I have instructed City staff to halt activities and additional project expenditures within our legal obligations, while we await further explanation of the implications of the Corps of Engineers’ decision to suspend the permit,” said Newport News City Manager, Randy Hildebrandt. “This is a serious setback that will require a comprehensive review of our options, obligations and liabilities. I still believe the King William Reservoir project is the best long term water supply solution for the Peninsula; however, I am concerned about the obstacles that stand in the way of sustaining the regulatory permits we need to see this project successfully completed.”

Newport News Mayor Joe S. Frank said, “After all the time, energy and resources invested in our efforts to assure a safe, reliable, economical raw water supply to our citizens and customers, as well as our municipal partners and customers, Hampton, Poquoson, York County, Williamsburg and James City County, it is extremely disappointing that the federal court decision and the apparent follow-up position of the Norfolk District of the Army Corps of Engineers has put the successful completion of the King William Reservoir project at risk. We remain totally committed to work tirelessly to assure all who depend on us for their present and future water needs that we will responsibly move forward to identify and develop appropriate alternatives.”

City Council will be consulted on this issue in a closed meeting on Tuesday, May 5.

#