

## City Council – Action Request Form

**Date:** May 21, 2019

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**To:** Mayor, Mayor Pro Tempore, and Members of the City Council

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**From:** Damon Dequenne, Assistant City Manager  
Courtney Driver, Utilities Director

**Council Action Requested:**  
Resolution Authorizing the Execution of a Supplemental Agreement to the Contract for Water Storage Space in W. Kerr Scott Reservoir between the United States of America, the County of Wilkes, N.C., and the City of Winston-Salem, N.C.

**Strategic Focus Area:** Healthy Environment  
**Strategic Objective:** Manage Water Quality & Quantity  
**Strategic Plan Action Item:** No  
**Key Work Item:** No



**Summary of Information:**  
 On June 29, 1960, the City of Winston-Salem, NC and County of Wilkes, NC entered into an agreement with the Army Corps of Engineers as sponsors of the construction of the W. Kerr Scott Reservoir (formerly known as the Wilkesboro Reservoir) on the Yadkin River. The Army Corps of Engineers originally planned the project for flood control, however, due to rapidly growing industrial demand along the Yadkin River the aforementioned sponsors agreed to provide funding for construction and maintenance to secure the capacity between elevation 1,000 feet and 1,030 feet above mean sea level to impound water for future demand. This represents a storage space of approximately 11 billion gallons of water.

The original June 29, 1960 contract stipulated the contract would become effective and remain in force for 50 years after the sponsors first used the water. On September 9, 1970, the sponsors made such first request for release. As such, the first contract period shall expire on September 9, 2020. The sponsors and the Army Corps of Engineers have been in discussions to renew the contract and have reached an agreement that will preserve the sponsor's rights to the original water storage pool, provides equitable cost sharing to maintain the project and extends the contract in perpetuity as long as the federal government operates the project.

**Committee Action:**

|                  |                      |                |          |
|------------------|----------------------|----------------|----------|
| <b>Committee</b> | Public Works 5/21/19 | <b>Action</b>  | Approval |
| <b>For</b>       | Unanimous            | <b>Against</b> |          |
| <b>Remarks:</b>  |                      |                |          |

The attached resolution authorizes the execution of a supplemental agreement with the Department of the Army, the County of Wilkes, and the City of Winston-Salem with the following terms:

- The sponsors shall have permanent rights to 30 feet of water supply storage space.
- The sponsors will continue to pay, annually, 17.93% of the operation and maintenance costs. Operation and maintenance costs for FY19 were \$129,111.87.
- The sponsors shall bear the costs allocated to water supply of any necessary reconstruction, rehabilitation, or replacement of the reservoir, which may be required to continue satisfactory operation.
- The sponsors shall have permanent rights so long as the Government continues to operate the reservoir.