

# NEWS RELEASE

FOR IMMEDIATE RELEASE  
August 7, 2008

CONTACTS: Glen Besa 804-387-6001  
Don Philips 757-898-8438  
Kelly Place 757-897-1009

## **Opponents of the King William Reservoir Urge Newport News to Reconsider Project**

### **Reports find Newport News Water need projections off by 17 MGD**

(Newport News) The Alliance to Save the Mattaponi and the Sierra Club released two reports today that show Newport News water sales have not increased since at least 1993. Based on Newport News' Annual Water Rate Studies, the reports show that Newport News was selling 45.7 million gallons per day (MGD) in 1990 and that in 2007, Waterworks reported sales of 43.5 MGD. The Waterworks data indicates that water sales have been relatively constant over this 17 year period but have actually decreased in recent years.

“The need for the King William Reservoir is predicated on a projected growth in demand for water that has not been realized,” said Glen Besa, Virginia Director of the Sierra Club. “The Federal Environmental Impact Statement completed in 1997 predicted that water sales would be 61.2 million gallons per day by 2010. Given that we are only two years away from 2010 and that water use will not increase significantly during that period, it is clear that Newport News has made a 17 million gallon mistake – one that the citizens of Newport News will have to pay for if the reservoir is built. Under the circumstances, the City owes it to its water customers to re-evaluate the need for the reservoir.”

“Mayor Frank needs to take a good hard look at this project. The city’s own numbers are telling us the reservoir is not needed,” said Besa. The projected amount of water that Newport News would obtain from the King William Reservoir if it were constructed is approximately 17 million gallons per day.

The reports show that water use has remained constant despite growth in the population served by Newport News Waterworks. Between 1990 and 2007, customers served increased from about 340,000 to about 400,000, but federally mandated efficiency improvements in toilets and shower heads as well as other measures have more than offset water demand by these new residents and businesses. New federal efficiency standards for washing machines are expected to further reduce water demand in the future.

Furthermore, Newport News and Hampton comprehensive plans report that those jurisdictions are nearing build out and York and James City Counties are about three fourths and two thirds of the way to their calculated build out populations. At the point that it reaches build out, the Peninsula will have added only about another 70,000 persons to its current population. With these more realistic growth projections it is difficult for Newport News to justify the reservoir.

If the reservoir is built, residents and industrial users will be paying a much higher price for water to finance the construction and operations of a water project that is not needed. “Because financing for the reservoir is based upon increased water sales, the lack of growth in sales means that users’ rates will be far higher than Newport News’ currently estimates,” noted Donald Phillips, PhD., the author of one of the reports. “Bond issuers, bankers and bond purchasers need to be made aware that the rate base anticipated to repay the bonds is significantly inflated; the loan now under consideration to acquire land for the reservoir is highly speculative, and the previous 2007 bond and future bonds have substantial risk factors not disclosed by Newport News Waterworks and its financing consultants.”

“Considering that the City’s water needs projections are off by more than 40% in just the ten years since the federal study was complete, the city really needs to take a second look at the need for this project,” said Phillips.

“The State Health Department directed the city to develop alternative water sources over a decade ago, but the underlying assumption has been that demand for water was increasing. The Health Department never suggested that Newport News should build a massively oversized reservoir,” said Tom Rubino, Co-Chair of the Alliance to Save the Mattaponi. “In light of these findings we will be calling upon the Virginia Health Department to review its position. Clearly, this reservoir is not needed.”

“This is all about fiscal responsibility,” said Kelly Place, Director of Research and Policy for the Coastal Virginia Waterman’s Association. “As the Siegel report shows, the cost of the reservoir project has ballooned out of control at three times the inflation rate and could reach a half billion dollars if it were ever constructed. Additionally, the environmental problems with the reservoir and the destruction of Native American cultural sites may well doom this project so why spend tax payers’ money on a project that is not needed.”

Copies of the two reports may be accessed on [www.savethemattaponi.org](http://www.savethemattaponi.org).