



A Research Triangle Region Community

www.FranklinCountyNC.gov

County Manager's Office

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Colonel Brad A. Morgan
District Engineer
Wilmington District, USACE
69 Darlington Ave
Wilmington, NC 28403

June 26, 2025

Dear Colonel Morgan:

This letter re-confirms the intent of the Franklin County Board of County Commissioners (the "County") to enter into negotiations with the Department of the Army Corps of Engineers (the "Government") to provide funding for the Government to perform a water storage reallocation study at the John H. Kerr Lake. The County currently projects it would like to have 1.050% (10,292 acre feet) of the total conservation storage in John H. Kerr Lake reallocated from the hydropower pool to the water supply pool. The County, as non-Federal Sponsor, proposes to voluntarily provide the necessary funds for completing this study, currently estimated at \$2,000,000. The County understands that Federal Funds are not currently available, and that the County is offering to provide all funds to cover the study together with associated costs.

The County understands that there will be no repayment or credit for any funds actually used on the project, except that any funds not used will be refunded to the County. The County also understands that the Memorandum of Agreement (MOA) that will be executed will provide the acceptance of the funds from the County will not constitute or imply any commitment by the Government to budget for, or for Congress to appropriate funds for this study in the future. Also, the County's offer of funds does not constitute or imply any commitment by the County to provide the Government with any additional funding for the reallocation study.

This correspondence confirms the County's commitment to pay all applicable costs for the proposed study. While the current Government estimate for the study is \$2,000,000 and no federal funding is currently available, that estimated figure is not a cap or limitation and the County intends to fully fund the cost of the study if the cost exceeds \$2,000,000.

Now that Congressional notification of the process has been given, the County and the Government will finalize the definitive terms and conditions of an agreement for the reallocation study; however, either party may terminate such negotiations in its sole discretion.

We look forward to the opportunity to work with you in an effort to establish a mutually agreeable business arrangement.

Sincerely,



Ryan C. Preble
County Manager

cc: James W. Sheedy, Esq.

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