DEPARTMENT OF THE ARMY
U.S. ARMY CORPS OF ENGINEERS
WASHINGTON, D.C. 20314-1000

Reply to
Attention of:

CEMP-SWD

JUN 30 2008

MEMORANDUM FOR COMMANDER, Southwestern Division (CESWD-PDT)

SUBJECT: Implementation Guidance for Section 3131 of the Water Resources Development Act of 2007 (WRDA 2007) - Arcadia Lake, Oklahoma

1. Section 3131 of WRDA 2007 declares that payments made by the city of Edmond, Oklahoma, in October 1999 to the Secretary of the Army satisfy the obligations of the city associated with present and future water storage costs at Arcadia Lake, Oklahoma, under Arcadia Lake Water Storage Contract Number DACW56-79-C-0072. A copy of Section 3131 is enclosed.

2. The water storage contract with the city of Edmond, developed under the auspices of the Water Supply Act of 1958, included present and future use water supply storage. No payment was required on the future use storage until it was placed into a present use status. The city of Edmond activated the storage in October 1999. Under the Water Supply Act of 1958 future use storage would not accrue interest until a 10-year period had lapsed from the project impoundment date. The 10-year interest free period expired at Arcadia Lake on November 30, 1996. The amount of interest and penalties currently owed is in excess of $9 million.

3. Interest that has accrued from the end of the 10-year interest free period, November 30, 1996 until the city of Edmond's payment in October 1999 and the late payment interest accrued for non-payment shall be waived. The water supply storage investment cost obligations of the City of Edmond are considered satisfied under the terms of Contract Number DACW56-79-C-0072. This provision does not negate the city of Edmond's requirement for payment of their annual share of the Operation and Maintenance expense for the project.

FOR THE COMMANDER:

Encl

Steven L. Stockton, P.E.
Director of Civil Works

SEC. 3131. ARCADIA LAKE, OKLAHOMA.

Payments made by the city of Edmond, Oklahoma, to the Secretary in October 1999 of all costs associated with present and future water storage costs at Arcadia Lake, Oklahoma, under Arcadia Lake Water Storage Contract Number DACW56–79–C–0072 shall satisfy the obligations of the city under that contract.