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REGIONAL RESOURCE STEWARDSHIP COUNCIL

MAY 9, 2003

TENNESSEE VALLEY AUTHORITY
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MR. ED WILLIAMS

1 P R O C E E D I N G S

2 MR. BRUCE SHUPP: Good morning. A
3 couple of housekeeping things before we get -- Dave,
4 do you have anything first before I go?

5 FACILITATOR DAVE WAHUS: No, sir, I do
6 not.

7 MR. BRUCE SHUPP: A couple of things.
8 I got a chance last night in the room to read the
9 handouts we got yesterday. I hadn't read them until
10 then. I really want to compliment TVA on that
11 recognition from Office of Management and Budget,
12 that is really outstanding. That is really
13 outstanding.

14 DR. PAUL TEAGUE: Save our money,
15 girl.

16 DR. KATE JACKSON: If you invest it
17 with me, I would give you a 600 percent return.

18 MR. W. C. NELSON: Guaranteed.

19 MR. BRUCE SHUPP: Anytime that OMB
20 says anything good about the Agency that's
21 outstanding to start with, but then to be one of
22 6 percent and to consider the type of things that
23 were being said about TVA just a short time ago.

24 DR. KATE JACKSON: Well, they are
25 still being said. It's just we got one little --

1 MR. PHIL COMER: That's her
2 brother-in-law, in that section.

3 DR. KATE JACKSON: No. I am very
4 sorry. I take offense to that.

5 MR. PHIL COMER: Oh, I meant it in a
6 humorous way.

7 DR. KATE JACKSON: In a humorous, nice
8 way?

9 MR. PHIL COMER: I hope you took it
10 that way. Particularly coming from me, Kate, you
11 should have known --

12 DR. KATE JACKSON: I should have
13 expected it.

14 MR. BRUCE SHUPP: Someone who works
15 virtually with all the water agencies -- TVA is
16 without question the easiest to work with. I mean,
17 it's -- you can understand why, if they are listening
18 to people from the outside, why the OMB would
19 understand that TVA should receive an award, there's
20 no question about it. So I really feel good for you
21 about it.

22 I also read your speech. I thought
23 your presentation was well done. And then at the
24 recommendation of Miles Mennell, who has an idea that
25 you will all, I think, embrace, we read H.R. 135.

1 And how many have not yet read H.R.

2 135 which is in your packet?

3 Lee, you're the only one.

4 MR. LEE BAKER: Apparently so.

5 MR. BRUCE SHUPP: It only takes a few
6 minutes, scan it, take a good quick look at it while
7 I am blabbing on here, but Miles' idea was, I think,
8 an excellent one.

9 When you read 135 you see that under
10 the -- under the findings and the establishment of
11 the 21st Century Water Commission, if you would
12 substitute a few key words in there or substitute a
13 few ideas within some of that text, you could easily
14 write those same -- those same concepts into a role
15 for TVA in the Tennessee Valley very, very easily
16 because it says the things that should be done to
17 coordinate an effort to talk about intelligent water
18 supply for a given area. This given area happens to
19 be the United States of America. We could focus that
20 down into the Tennessee Valley very easily.

21 I think when we get to question No. 2,
22 I think that would fit into question No. 2 very well.
23 If we started with this as a model, and this is a
24 suggestion now, you can reject this, modify it,
25 whatever, but if we started with this as a model and

1 actually put the one through whatever they are up
2 there as a discussion process, we could very quickly
3 construct the answer to that question No. 2. Think
4 about that.

5 MR. PHIL COMER: I feel equally strong
6 about the comments Jimmy Barnett has prepared.

7 MR. BRUCE SHUPP: Jimmy has some good
8 answers there, too, yep. We've all got those, right?
9 Everybody got those this morning?

10 MR. PHIL COMER: How many have not
11 read those besides Lee?

12 MR. LEE BAKER: I read them.

13 MR. BRUCE SHUPP: Is there discussion
14 on that idea?

15 MR. PHIL COMER: I think that's
16 premature to press that as a conclusion at the
17 beginning of this day.

18 MR. BRUCE SHUPP: I didn't press a
19 conclusion, I was talking about a process.

20 MR. PHIL COMER: But wanting to
21 endorse that as the answer to today's activities, I
22 think that's premature. That's a response. You
23 wanted a response, that's my response.

24 MR. BRUCE SHUPP: Okay. Any other
25 comments?

1 MR. JIMMY BARNETT: I guess,
2 Mr. Chairman, I have a question for Kate. How do you
3 feel about H.R. 135?

4 DR. KATE JACKSON: Did you read my
5 testimony?

6 MR. JIMMY BARNETT: I read your
7 testimony, but I wanted to get a fresh update this
8 morning right after breakfast.

9 MR. PAUL TEAGUE: That was yesterday.

10 DR. KATE JACKSON: Well, I think it's
11 great. And the position of the Agency is that it's
12 really an appropriate time to begin doing long-term
13 strategic planning for water supply, recognizing that
14 those resources are going to be constrained.

15 But in addition, my personal, this is
16 not the Agency's position, is it needs to be expanded
17 somewhat because it recognizes only the private
18 sector, and I very much think a local elected
19 official or state representative or federal water
20 resource management ought to somehow be included in
21 that.

22 Now, there are a couple of different
23 ways you could do that. You could either do it the
24 way the National Recreation Lake Study Commission,
25 which I was on, it was a presidential commission,

1 looked at getting those people as commissioners so
2 that when you went out and did field hearings, the
3 people who came to those fields hearings felt as
4 though there was an interface point for them. There
5 was a mayor on there and there was businessmen on
6 there and there was an environmentalist, someone from
7 the Corps, and someone from TVA.

8 Now, the other way you could do is
9 staff the commission with people from those other
10 institutional frameworks somehow. So that sort of a
11 difference, but that's what I think as opposed to
12 necessarily TVA's position.

13 MR. JIMMY BARNETT: I like the
14 methodology in H.R. 135. I think the representation
15 should be very carefully selected in light of the 500
16 people in there, and that's too many, but you need to
17 have a representative group.

18 DR. KATE JACKSON: This one was
19 written, the last draft of it, which was two or three
20 months ago, had 17 commissioners, and the comments
21 that they got back was that was too many. So now
22 they have limited it to seven, and I guess -- you
23 know, I think maybe they have gone the other
24 direction. But, you know, if you could have 10, 15,
25 I mean, this size group works pretty well.

1 MR. BRUCE SHUPP: Yep. Okay. Other
2 comments?

3 DR. PAUL TEAGUE: This is just an
4 exceptional group, Kate.

5 DR. KATE JACKSON: We know that.

6 MR. BRUCE SHUPP: After you were
7 trained. All right. Any other comments?

8 MS. MILES MENNELL: That was no easy
9 task.

10 MR. BRUCE SHUPP: All right. Any
11 other comments?

12 All right. We're ready to move into
13 discussion. I will turn that over to our Facilitator
14 Dave Wahus.

15 FACILITATOR DAVE WAHUS: Well, good
16 morning. As we discussed -- as you discussed and
17 decided last night, what we're going to be doing is
18 going in the order of the questions that you have in
19 your packet. And as you see on the screen, Laura is
20 going to help us with capturing your comments.

21 And what we're going to be doing, I'm
22 going to limit you to 40 minutes per question. You
23 talk -- I'll remind you that you talked yesterday
24 that we should do the first one, probably the second
25 one and won't spend much time on, and we will come

1 back to that after we've finished all six. You want
2 more time on No. 3.

3 We have two hours now this morning
4 before we have a break and hear from the public. So
5 that allows us to do the 40 minutes each.

6 Can you turn that down just a little
7 bit?

8 MR. PAUL TEAGUE: The feedback is bad.

9 FACILITATOR DAVE WAHUS: And so we're
10 going to be -- at most we will probably get through
11 the third one, that allows more than 40 minutes for
12 No. 3. Whatever we don't use for No. 2, we will use
13 for No. 3 this morning.

14 Before we start, does anyone have any
15 questions or comments?

16 Okay. Then let's start with the first
17 one. Who specifically should be invited to
18 participate in the watershed-wide partnership?

19 Jimmy.

20 MR. JIMMY BARNETT: This document I
21 gave you was not some thoughts just from me but from
22 some of the former water quality subcommittee members
23 that I polled. I did not poll Steven and Elaine and
24 Bruce because they were going to be here anyway, but
25 all of these ideas were an amalgam of what they

1 thought and what I thought.

2 FACILITATOR DAVE WAHUS: Would you
3 just read those so we will get them into the record,
4 please?

5 MR. JIMMY BARNETT: Are you talking
6 about --

7 FACILITATOR DAVE WAHUS: Just question
8 No. 1.

9 MR. JIMMY BARNETT: EPA, the Corps of
10 Engineers, U.S. Fisheries and Wildlife Service, the
11 seven states' water quality department, major water
12 using industries, including those for transportation,
13 municipalities that use water from the river,
14 regional and state NGO's concerned with water
15 quality, recreation groups and the seven states'
16 governments.

17 MS. MILES MENNELL: The seven states'
18 governments including local government
19 representation?

20 MR. JIMMY BARNETT: Of course.

21 FACILITATOR DAVE WAHUS: Her fingers
22 are just a little stiff this morning.

23 Miles.

24 MS. MILES MENNELL: Jimmy, what would
25 you do about TVA power distributors?

1 FACILITATOR DAVE WAHUS: The question
2 is about, what would you do about the TVA power
3 distributors?

4 MR. JIMMY BARNETT: I can't believe I
5 left that out.

6 MS. MILES MENNELL: You of all people.

7 FACILITATOR DAVE WAHUS: So you're
8 telling me that the TVA power distributors should be
9 on that list as well?

10 MR. JIMMY BARNETT: Our customers are
11 going to foot whatever bill TVA is required to pay,
12 so yes.

13 MR. ED WILLIAMS: I would add public
14 lands partners, like the U.S. Forest Service and the
15 National Park Service who own so much of the
16 watershed.

17 FACILITATOR DAVE WAHUS: Okay. Public
18 land partners, like the Forest Service and the Park
19 Service. Okay. Any other -- Bruce.

20 MR. BRUCE SHUPP: I think the way we
21 ask governments -- local governments, and
22 particularly state governments, to participate is
23 important. I think we wouldn't just make a phone
24 call to the water agencies in those states and ask
25 them to play.

1 I think this would be a Governor type
2 request where you would say to the Governor, we need
3 you to appoint a key person from your administration
4 to lead these discussions and assign agency
5 responsibility as necessary. So we want it to come
6 from the top down.

7 FACILITATOR DAVE WAHUS: Okay.
8 Responses to that or any other comments?

9 I am seeing some heads nodding
10 agreeing with you.

11 Miles.

12 MS. MILES MENNELL: And TVA should be
13 participating.

14 FACILITATOR DAVE WAHUS: TVA?

15 MS. MILES MENNELL: Yes.

16 FACILITATOR DAVE WAHUS: Okay. Greer.

17 MR. GREER TIDWELL: I think there
18 ought to be some way to open it up to out-of-valley
19 representation as well. I don't have a scheme in
20 mind for doing that, but we want to get that voice at
21 the table somehow.

22 MS. MILES MENNELL: Why?

23 FACILITATOR DAVE WAHUS: Can you talk
24 a little bit more about why?

25 MR. GREER TIDWELL: If you're

1 ultimately going to be dealing with pressure from
2 out-of-valley entities, I think we're going to be
3 able to come up with a better solution about how to
4 deal valley water if we have them at the table during
5 the process of thinking through how we're going to
6 deal with our water.

7 FACILITATOR DAVE WAHUS: Okay. Bruce.

8 MR. BRUCE SHUPP: Wouldn't you want
9 them more as guests than as participants in the
10 deliberation process?

11 MR. GREER TIDWELL: At least as
12 guests.

13 FACILITATOR DAVE WAHUS: Paul and then
14 Miles.

15 MR. PAUL TEAGUE: With all of that
16 list of people, where does your private sector fit
17 in? Those are not private sectors, that's all --

18 FACILITATOR DAVE WAHUS: So we need to
19 add the private sector.

20 MR. PAUL TEAGUE: I think you need
21 private -- just like this group here is
22 representative of the private sector, most of them,
23 and you get a more independent analysis from the
24 private sector.

25 FACILITATOR DAVE WAHUS: Okay.

1 MR. JIMMY BARNETT: I really had that
2 in mind up there with the water using industries, but
3 I don't know if that's --

4 FACILITATOR DAVE WAHUS: Well, let's
5 add the word private sector to make sure that we
6 don't --

7 DR. PAUL TEAGUE: You need people
8 without an agenda basically is -- a few in there to
9 stir the pot a little bit.

10 FACILITATOR DAVE WAHUS: There are
11 people without agendas.

12 MR. PHIL COMER: Who?

13 FACILITATOR DAVE WAHUS: Miles.

14 MS. MILES MENNELL: Back to Greer's
15 point about out-of-valley representatives, it might
16 be that we want some sort of congressional liaison,
17 that that might be the way to address that through a
18 committee or subcommittee of Congress. Perhaps that
19 would be a way to coordinate that interest and that
20 effort and to get the larger national community
21 involved in the discussion.

22 MR. GREER TIDWELL: I like that idea.
23 It shifts the responsibility to someone else to bring
24 their concerns to this table.

25 FACILITATOR DAVE WAHUS: Paul, did you

1 have another comment?

2 MR. PAUL TEAGUE: No. I am just
3 chewing --

4 FACILITATOR DAVE WAHUS: I will keep
5 calling on you. Other comments? Any other thoughts?

6 Well, you have identified quite a
7 broad -- quite a large number and a very broad
8 representation of folks who should be invited to
9 participate, and invited by TVA, I am assuming we're
10 making the assumption as you posed the question.

11 Greer.

12 MR. GREER TIDWELL: Do any of those
13 categories capture like the economic development?

14 MR. PAUL TEAGUE: The state could.

15 MR. GREER TIDWELL: The state could.

16 FACILITATOR DAVE WAHUS: Let's add the
17 economic development representatives.

18 MR. GREER TIDWELL: And you better go
19 ahead and put in there conservation/environmental
20 group representation.

21 FACILITATOR DAVE WAHUS: Okay.
22 Conservation/environmental group. Any others?

23 MR. ED WILLIAMS: Tourism.

24 FACILITATOR DAVE WAHUS: Tourism.

25 Are there any others who should be

1 specifically invited to participate in the
2 watershed-wide partnership, keeping in mind that
3 we're going to come back after lunch and we're going
4 to come back and revisit this, but if there's -- so
5 if you have additional thoughts, you certainly can
6 add to them.

7 Bruce.

8 MR. BRUCE SHUPP: I think we have to
9 think about what process they would be involved and
10 how would they be folded into the discussion process.
11 If there's going to be a council of sorts that would
12 sit to make decisions, it certainly wouldn't be one
13 of each of all of these organizations, it would be a
14 30 person council.

15 So if you're going to melt this down
16 into a 12 person, 15 person council, or even 20,
17 how -- who would be the representatives that would be
18 the most likely to be put on that council?

19 And then other process to think about
20 is, given that answer to that question, how do you
21 fit the rest of the disciplines in that were just
22 mentioned, subcommittees, panels of the -- for the --
23 the actual council members or commission members,
24 whatever you want to call this, think about that.

25 Are any of the state guys here from

1 yesterday?

2 FACILITATOR DAVE WAHUS: No, I don't
3 believe so.

4 MR. BRUCE SHUPP: The process they
5 used would be interesting to -- they had -- they had
6 three representatives of the states, and then they
7 had subcommittees working under that structure.

8 It's something to think about. If
9 we're going to actually recommend this, how do you
10 make that work?

11 We could just recommend to TVA, work
12 these people in and it's your problem how you do it.

13 DR. KATE JACKSON: We would appreciate
14 more advice than that.

15 MR. PAUL TEAGUE: Hey, then you lose
16 your right to complain too when you do that.

17 DR. KATE JACKSON: I haven't noticed
18 that ever happening.

19 FACILITATOR DAVE WAHUS: Other
20 comments?

21 Discussion?

22 Responses to comments that you have
23 just heard?

24 I am going to take you on to the
25 second question then. What is TVA's role? We will

1 discuss it for here and then we will come back to
2 it -- definitely come back to it and revisit because
3 you will want to have the other -- discuss the other
4 four questions and then come back.

5 What are your initial -- Jimmy, would
6 you like to read your responses into the record so we
7 can start with that?

8 MR. JIMMY BARNETT: Sure. I had an
9 idea that TVA should organize, facilitate, promote,
10 and by promote I mean promote to the governments and
11 other groups that, hey, this is something that we
12 ought to do together rather than individually simply
13 because, as was pointed out yesterday, TVA has a
14 problem with all of the various states having
15 jurisdiction over a lot of these things that they
16 have no control on, and it would be much better if
17 they worked with the consent of all of the states
18 that were involved, in particular.

19 And I think it's a very real role for
20 TVA to play to be the organizer and facilitator and
21 promoter of this kind of thing because they have to
22 actually control the river with all of these other
23 parameters that are out there that different people
24 are doing, and it sure would be nice if they had a
25 consensus of everybody and knew they had a consensus

1 and could go forward with it.

2 Maybe even start with a goal, and I
3 don't know what the goal would be, I'm not suggesting
4 that, but start with something, this is what we would
5 like to see happen.

6 FACILITATOR DAVE WAHUS: Okay. Ed.

7 MR. ED WILLIAMS: It may be implied in
8 some of those categories, but I would put lead.

9 FACILITATOR DAVE WAHUS: Lead?

10 MR. ED WILLIAMS: Lead. I think TVA
11 really should be the leadership role in this
12 process --

13 DR. PAUL TEAGUE: I agree.

14 MR. ED WILLIAMS: -- nationally to do
15 that, to set up a model.

16 FACILITATOR DAVE WAHUS: Okay.

17 Michele.

18 MS. MICHELE MYERS: Educate.

19 FACILITATOR DAVE WAHUS: TVA should be
20 educating, do you want to expound on that a little
21 bit?

22 MS. MICHELE MYERS: Well, I think
23 there's going to be some education, and I think you
24 have got to explain the problem to a lot of these
25 user groups.

1 FACILITATOR DAVE WAHUS: Okay. Good.

2 Ed, do you have another comment?

3 MR. ED WILLIAMS: I like Miles' idea
4 of taking H.R. 135 and really using that as a
5 premise. There's some awfully good points in there.
6 I don't know how we'd best do that.

7 FACILITATOR DAVE WAHUS: Miles.

8 MS. MILES MENNELL: I was just going
9 to comment back to H.R. 135, I think one of the first
10 things we need to state is what's the purpose of
11 this, which would incorporate all of those, and I
12 think the purpose would be for TVA to take a
13 leadership position in helping develop policy for
14 making the best use of our water resources in the
15 future, I mean, something just that simple, but I
16 think that should be the primary role, the why.

17 FACILITATOR DAVE WAHUS: Okay. Other
18 comments?

19 I see a lot of thinking going on here.

20 Jimmy.

21 MR. JIMMY BARNETT: I would just like
22 to make a comment. I think TVA's uniquely situated
23 to do these kinds of things because of the integrated
24 way they run the river. And actually, I think, Kate,
25 it would be remiss if y'all didn't do this.

1 FACILITATOR DAVE WAHUS: Okay. Miles.

2 MS. MILES MENNELL: Just a question.

3 And I think that TVA -- I think it would remiss if
4 TVA were not taking the leadership role in this, but
5 I think we're considering more than the Tennessee
6 River system. I think we're considering the water
7 resources throughout this region, and I don't know
8 how we reference that here, but it's going to be
9 water resources beyond the Tennessee River, that's a
10 question.

11 MR. PHIL COMER: The total watershed,
12 the Tennessee River watershed.

13 DR. KATE JACKSON: Well, the things
14 that you're discussing, and I think maybe it would be
15 good if you had a little conversation about that, are
16 actually contemplating going external to the
17 watershed. You're talking about a watershed-wide
18 coalition, but the moment you put seven states on
19 there, you're outside this watershed.

20 So, you know, you're -- have some
21 conversation about that and how TVA actually could
22 have a role external to the watershed on water issues
23 in a state where we actually don't have any full
24 responsibility for that, and then talk a little bit
25 about the issues of how you begin to integrate

1 groundwater and surface water because the groundwater
2 doesn't obey the same boundaries that the watershed
3 does.

4 MR. PHIL COMER: If we use the term
5 TVA region, does that include the seven states and
6 the 194 counties?

7 DR. KATE JACKSON: Well, the way I
8 would interpret that would be that that's the
9 boundary of the watershed or the power service
10 territory, whichever is larger.

11 FACILITATOR DAVE WAHUS: Bruce.

12 MR. BRUCE SHUPP: I think it's very
13 important for TVA to get ahead of the national
14 effort.

15 MR. GREER TIDWELL: You mean stay
16 ahead?

17 MR. BRUCE SHUPP: Stay ahead, yeah.
18 Very good.

19 DR. KATE JACKSON: Thanks.

20 MR. BRUCE SHUPP: It would make me
21 nervous if there was a national commission looking at
22 water supply and future demand and I was sitting here
23 at TVA trying to manage this mammoth system and
24 having somebody else making projections about what we
25 can and can't do, we're going to be in the middle of

1 that, and I would think that we'd want to get this
2 process going to come up with the real facts and
3 figures to give to the national effort rather than be
4 driven by it.

5 MR. GREER TIDWELL: Can we add to the
6 No. 2 answer example?

7 FACILITATOR DAVE WAHUS: You want to
8 add example down there?

9 MR. GREER TIDWELL: Yeah. I mean, TVA
10 is setting themselves up as an example. It ties in
11 with leadership, but I think there's a little bit of
12 difference there. I mean, they can lead on the whole
13 regional basis, but they have also got a river to
14 manage.

15 MR. BRUCE SHUPP: It would be the
16 model.

17 MR. GREER TIDWELL: Right, example or
18 model.

19 MR. BRUCE SHUPP: I don't know anybody
20 else that could provide that model or will provide
21 that model faster than TVA could do it.

22 When you think about it, who else is
23 going to do that?

24 MR. PHIL COMER: The Corps of
25 Engineers might suggest that they would have some

1 history along that line, but I agree, TVA is better
2 qualified to do it. Don't say who else is there, I
3 mean.

4 MR. BRUCE SHUPP: The Corps certainly
5 has the competency to do it and the expertise to do
6 it, but by the time they figured out how they were
7 going to address it on a national scale within all of
8 their mandates, TVA could have the job done.

9 MR. PHIL COMER: I don't know about
10 that. The Corps has a pretty good history.

11 MR. BRUCE SHUPP: Oh, yeah. They're
12 competent.

13 MR. PHIL COMER: I wouldn't knock
14 them.

15 MR. BRUCE SHUPP: I am not knocking
16 them at all. I am saying they are so big and their
17 mandates are so wide.

18 MR. PHIL COMER: They have a pretty
19 good record.

20 MR. BRUCE SHUPP: Exactly. But
21 timing --

22 MR. PHIL COMER: I learned yesterday
23 that they go clear back to 1774 before the country
24 was established. I didn't know that. I thought it
25 was 1874.

1 MR. GREER TIDWELL: While we're
2 talking about examples, I mean, I think we heard
3 yesterday from a much more local watershed, the Duck
4 River, who apparently went through a process where
5 everybody thought there wasn't enough and it was not
6 going to work and they were in dire straits, and they
7 got together and they communicated and developed sort
8 of a group attitude about things.

9 The next thing you know, they went out
10 and did a study and they said, well, this bathtub
11 might be big enough for us, or apparently they are
12 all convinced of that, but I would like to pour into
13 that some more.

14 Gee, before we start thinking of the
15 Corps of Engineers as a model example on good water
16 management, I would rather look a little bit more
17 locally.

18 FACILITATOR DAVE WAHUS: Paul.

19 MR. PAUL TEAGUE: I was thinking about
20 what Kate said. No. 1, I think TVA should take the
21 major leadership role. They have got the most
22 experience. That's what they've worked with since
23 the '30s. No one has got that type of experience
24 with the water.

25 And if you have representation for

1 those seven states, that doesn't mean that they make
2 policy of their whole state from what you're doing,
3 they only have an advisory position to you, being
4 TVA, about the region in which that part of their
5 state that is involved in our watershed basin, would
6 that not be correct?

7 DR. KATE JACKSON: Well, think of
8 Mississippi, for example, Mississippi is in the power
9 service territory but not in this watershed at all.
10 And so how the contemplation of this group would
11 apply to the establishment of water policy where TVA
12 actually has no water-based mandate, that's obviously
13 a very careful negotiation with the states. I mean,
14 it's the state's right to be able to establish policy
15 for water inside their state.

16 So I think we need to think through
17 what the objectives would be of going outside the
18 watershed, recognizing that the people outside the
19 watershed are still paying for whatever this group
20 does, depending upon what you do when you get to the
21 funding question.

22 MR. GREER TIDWELL: We're still
23 getting the benefit.

24 DR. KATE JACKSON: Well, they get the
25 benefit as long as they remain our distributor

1 customers.

2 DR. PAUL TEAGUE: I see them as an
3 ancillary advisory type thing.

4 MR. PHIL COMER: They may not feel
5 that way.

6 DR. PAUL TEAGUE: They should have
7 some input, but they don't run the ship, in my
8 opinion.

9 FACILITATOR DAVE WAHUS: Miles and
10 then Jimmy.

11 MS. MILES MENNELL: I think the
12 opportunity we have is unique, especially because TVA
13 is such a unique entity. And the point's well taken
14 that we can't be dictating policy or TVA can't be
15 dictating policy, and it wouldn't be TVA anyway, they
16 would be in the leadership role, but it would be a
17 unique opportunity for us to all be talking together
18 to arrive at a policy, presumably and hopefully
19 everyone can come to the table -- who comes to the
20 table can agree upon.

21 So I think it becomes -- it literally
22 is advisory, but it's an opportunity to be drafting
23 that policy and really looking far into the future
24 with the hopes that we can, having all of these
25 partners at the table, really have a real dialogue

1 going on and begin to resolve and have policy about
2 some of these issues, which obviously are going to be
3 paramount to all of us in the years to come.

4 FACILITATOR DAVE WAHUS: Jimmy.

5 MR. JIMMY BARNETT: One of the
6 comments that was made yesterday, which we have heard
7 before and which Kate reiterated again this morning,
8 you know, you have got the river, but you also have
9 the aquifers that are underneath.

10 And as is happening in our local
11 little area there in and around Sheffield and the
12 Shoals area, the aquifer coming under Muscle Shoals
13 is affecting Tuscumbia who uses groundwater or uses a
14 spring. So what happens in our area is going to
15 affect anybody else who's outside any watershed or
16 any aquifer that starts into our area.

17 Also, we're affected by the
18 watersheds -- the beginning of aquifers that start
19 somewhere else. So that would be a reason for
20 getting people that might be in control of or
21 affected by the beginnings and endings of aquifers.

22 FACILITATOR DAVE WAHUS: Okay. Other
23 comments?

24 As I listen to you and I hear you talk
25 about TVA's leadership, the word that also comes to

1 mind is possibly TVA being a facilitator in addition
2 to being a leader as they work. If they can't set
3 the policy for all of these states, then they could
4 certainly facilitate the states coming together.

5 What I -- the discussion that I heard
6 brought that word to mind, I don't know if it's
7 appropriate and that's your choice.

8 Any other discussion?

9 MR. PHIL COMER: I am really surprised
10 TVA hasn't already done this.

11 FACILITATOR DAVE WAHUS: Greer.

12 MR. GREER TIDWELL: I was waiting for
13 a response to Phil's surprise. I think a role for
14 TVA is to assure that good science leads to good
15 policy. TVA has got a reputation for that, and I
16 think that's part of why I have heard some people say
17 TVA is duty bound to be involved in this, and part of
18 that is they generally use good science to make their
19 policy. Some may disagree with the policy, but
20 there's going to be a lot of debate on this issue and
21 we need to have good science backing up their
22 decisions.

23 FACILITATOR DAVE WAHUS: Miles.

24 MS. MILES MENNELL: Kind of a
25 follow-up comment to what Phil said, it would seem to

1 me that without our encouraging TVA or the public in
2 general encouraging TVA to take the leadership role
3 in this -- this technically is out of their arena of
4 authority.

5 So I think it's really one of the
6 things -- if we feel strongly about it, one of the
7 things that we can do is make a very strong
8 recommendation to TVA's board that this is an
9 appropriate role for TVA to assume. So we're
10 agreeing and I -- I am responding to your question.

11 FACILITATOR DAVE WAHUS: Other
12 comments?

13 Any other discussion?

14 Well, I am going to -- you're moving
15 along very well, we have spent all of about 20, 25
16 minutes to far and we have moved along through
17 one-third, but I think we're going to slow down a
18 little bit now.

19 We will go on to question No. 3. And
20 if you will look at your list and refresh your
21 memory, what would be the successful end-state for
22 such a watershed region partnership, and
23 specifically, what are the deliverables that would
24 result in the desired end-state?

25 So what would be the successful

1 end-state and what are the deliverables that would
2 result in the desired end-state?

3 And should I pick on you again, Jimmy?

4 MR. JIMMY BARNETT: Fine with me.

5 FACILITATOR DAVE WAHUS: When you
6 print out your comment, we know at last that you have
7 some thoughts, so we will start with you.

8 MR. JIMMY BARNETT: One of the
9 things -- and these are not necessarily in any kind
10 of order, just ideas that -- like I say, it's an
11 amalgam from several different people.

12 One of the things that I feel real
13 strongly about and would talk to Alabama, as well as
14 Tennessee and all of the others, I think there should
15 be some compatible and complimentary regulations
16 because it's one river, one watershed, even though
17 there are aquifers that are beginning and ending in
18 various places, not necessarily in the same
19 watershed.

20 I hate it from the fact that Alabama
21 does one thing real well and Tennessee probably
22 doesn't and vice versa, and Mississippi is doing some
23 things that I was very pleased to hear of them doing.

24 And if you have common goals and
25 regulations in an area that is so common with the

1 river, then it just would make it a lot easier for
2 all of TVA folks to manage the river because they are
3 looking at the same thing all up and down the river.

4 I know the states would not want to
5 give TVA control, but if they had complimentary
6 regulations they could say, hey, operate with these,
7 you know, it would make it a lot easier. Information
8 and data sharing between all the groups, however much
9 is going on now, make it almost seamless.

10 I think it should be determined who
11 could use water from the river and how, maybe like
12 Tennessee did with the regulation, hey, you have got
13 to get a permit to take water out of the river, but I
14 think I would be a little more specific than that.

15 I mean, I could apply for one to take
16 a 12-foot pipe from here to Birmingham or from our
17 area to Birmingham and sell them water and make a
18 nice chunk of change and not have to worry about
19 going out and transferring my water system.

20 The limits on amounts to be removed
21 taken into consideration, all of the things TVA is
22 doing right now with the integrated approach we
23 talked so much about in the first session because I
24 think every one of those are affected, as they proved
25 to us.

1 As I finally came to understand, if
2 you do -- if you lose water, an amount of water, you
3 wind up losing quality, you lose river depth for
4 transportation, et cetera, et cetera, et cetera. So
5 I think a cooperative program between TVA and the
6 states and Corps and other groups, and others is a
7 broad thought because I run out of thoughts.

8 Thank you.

9 MR. BRUCE SHUPP: I have got a little
10 list which I think will help fan out. We can put a
11 couple out there. Identify existing demands and
12 future demands. This is pre-engineering to the
13 thing. Do technology review of ways to obtain water,
14 engineering technology review, review of the
15 infrastructure both present and needs, including
16 maintenance, retrofit, et cetera.

17 Identify the trade-offs, I think this
18 is where Jimmy was talking about too, it's just a
19 different way to state it, identify the trade-offs
20 and the costs and benefits of taking water for new
21 purposes versus against the existing purposes.

22 FACILITATOR DAVE WAHUS: So you're
23 talking there about navigation and all the other
24 uses?

25 MR. BRUCE SHUPP: How much water

1 supply could -- how much new water supply could be
2 provided and what would be the -- until you got to
3 some serious trade-offs.

4 FACILITATOR DAVE WAHUS: Okay.

5 MR. BRUCE SHUPP: And then the final
6 thing would be to develop a policy on process. How
7 do you process the request for new water demands?
8 What would be -- what would the states agree to do to
9 handle these requests?

10 FACILITATOR DAVE WAHUS: Okay. Thank
11 you. Miles.

12 MS. MILES MENNELL: I'm presuming that
13 you're moving towards the bottom line where this
14 group ultimately would be in a position. It's a
15 question, also a comment, to recommend or to develop
16 a comprehensive strategy to recommend all the
17 participating states for ways to best use the water
18 and increase the water supply and be sure there's
19 enough there. So the purpose of doing this, I'm
20 assuming, would be to develop -- to be able to
21 recommend a comprehensive strategy.

22 FACILITATOR DAVE WAHUS: Do you want
23 to respond to that?

24 MR. BRUCE SHUPP: Yeah. I shook my
25 head. I'm sorry. You're right.

1 FACILITATOR DAVE WAHUS: Ed.

2 MR. ED WILLIAMS: I would add a
3 uniform conservation -- water conservation program.

4 FACILITATOR DAVE WAHUS: A uniform
5 water conservation program.

6 Other comments? Discussion?

7 This is the subject you said we were
8 going to have a great deal of discussion on this
9 morning.

10 MR. PHIL COMER: Can I ask Ed a
11 question in connection with that?

12 FACILITATOR DAVE WAHUS: You certainly
13 may, Phil.

14 MR. PHIL COMER: I totally agree with
15 what you just said about adding a conservation aspect
16 of that. When you say that, do you include the
17 state-of-the-art technology that is available and
18 will, as time passes, become more available for what
19 I simplistically call recycling?

20 MR. ED WILLIAMS: Yeah.

21 MR. PHIL COMER: I think that's
22 important.

23 MR. ED WILLIAMS: In fact, H.R. 135
24 talks about the technology advances that needs to be
25 moved forward within the water strategy.

1 MR. PHIL COMER: Well, a lot of those
2 are already available. It amazes me that we haven't
3 heard much about that, that the lady from the USGS,
4 in talking about one-time use of water versus water
5 that's used more than one time, state of art is now
6 available in most industrial plants for recycling
7 water and has reached 98 percent.

8 Lake Lanier, who is going to be the
9 first example in the south, is going to have to reach
10 98 percent. So that should be an important part of
11 conservation. I mean, that really is Atlanta's
12 solution. It will be costly, but that's ultimately
13 their solution, that and population control.

14 FACILITATOR DAVE WAHUS: Other
15 thoughts? Discussion?

16 MR. LEE BAKER: I would like to pose
17 some -- a question to TVA. What are y'all's
18 thoughts -- what are your thoughts relative to -- as
19 I see it now, you don't have the authority, do you,
20 to tell someone how much -- how many millions of
21 gallons of water they can take either from the stream
22 or the river or from the groundwater?

23 MS. JANET HERRON: The only thing we
24 would have would be through 26(A), and the way we
25 have been using that is when they request a permit

1 looking at what their needs are and then specifying
2 in the permit the maximum withdrawal, but that's the
3 only mechanism we have to be able to do that.

4 MR. LEE BAKER: That's a one-time
5 front end, you know, based on your best science at
6 that particular point in time, not five years from
7 now what you can allow or modify.

8 So you can place restrictions then on
9 a new permit as far as taking water?

10 MS. JANET HERRON: Bridgette, if they
11 want to change -- if they want to come in and change
12 the intake?

13 MS. BRIDGETTE ELLIS: Yeah, then would
14 have to come back to TVA and they'd have to go back
15 to the state and get a change.

16 MR. LEE BAKER: To the state?

17 MS. BRIDGETTE ELLIS: Yeah.

18 MR. LEE BAKER: Isn't that who
19 ultimately determines how much water can be taken?

20 MS. BRIDGETTE ELLIS: All we're
21 looking at is whether or not that permit is -- or
22 whether that intake is impacting navigation or flood
23 control, that's our only regulatory authority or
24 impacting public lands.

25 MR. LEE BAKER: Right.

1 MS. BRIDGETTE ELLIS: If you go to the
2 Act, that's the only thing that we -- that we're
3 actually --

4 MR. LEE BAKER: Well, you know, I
5 talked to our treatment plant. We take water out of
6 the French Broad, and I asked them, are we limited in
7 any way? Their response to me was, not that they
8 were aware of.

9 MS. JANET HERRON: Probably not.

10 MR. LEE BAKER: We're on the head-end,
11 which is a good thing, but, you know, somewhere down
12 the road if we were taking so much water that it had
13 some effect, I am just trying to get some clarity on
14 who is going to step forward and say, wait a minute,
15 folks, you can't have but this amount of water and --

16 MS. JANET HERRON: If it's an old
17 permit and you haven't made changes to it so that you
18 have to come back, it probably doesn't have a limit
19 because that's something relatively new that we have
20 been doing.

21 MR. LEE BAKER: Yeah, that's going to
22 be an interesting hurdle, how to pull those elements
23 together. And not that I don't think it's worthy of
24 the effort, mind you, but, you know, I can see all
25 the political entities.

1 You know, it hasn't been that long
2 ago -- can you picture this infrastructure called a
3 regional transmission grid, as a regional water grid.
4 In cooperation we make interconnections in order that
5 we facilitate, but then somewhere down the road some
6 brilliant politician decides that you can put a
7 gallon in in Chattanooga and take it out in Bowling
8 Green with no consequence, does that picture --

9 MS. JANET HERRON: Sounds very
10 familiar.

11 MR. LEE BAKER: -- sound familiar to
12 anybody?

13 MS. JANET HERRON: Absolutely.

14 MR. GREER TIDWELL: Lee, I think there
15 may be some limitations, though we haven't really
16 seen them here in the east, and our legal system is
17 very different than the water wars of the west.

18 I am no expert in this arena at all,
19 but I think there are some limitations that
20 downstream users can impose on your utility. I mean,
21 they have got some rights that they can enforce
22 through legal action.

23 So to say there's no limitation, I
24 think we need not to ignore the fact that there are
25 limitations out there, and maybe somebody else has

1 been through more of this than I have and can speak
2 to it, but there are limitations that downstream
3 users rights can be enforced.

4 MR. LEE BAKER: Yeah, I suggest you're
5 right only because that's what seems to be working
6 other places, but I'm not sure that's the best
7 option.

8 MR. GREER TIDWELL: Exactly. In fact,
9 I think it's a pretty sorry option, maybe.

10 MR. LEE BAKER: Well, I would agree.
11 And I think it's admirable if we can figure out a way
12 to fashion a process that is reasonable across
13 political subdivisions, but, you know, you can see
14 one county government or one state government, when
15 it's their ox that's being gored, that will be the
16 most important water withdrawal in the whole system.

17 And we talk about neighboring
18 watersheds, there is no end to that, you know,
19 because if you reach out and touch the one next to
20 you, then it's got one touching it, and on and on.

21 I have no excitement about the court
22 system being the fair and proper way to do it, and
23 usually it's in terrible shape by the time it goes
24 there. And I think we have got an opportunity, but,
25 boy, it's going to be a chore.

1 I also wouldn't be representing the
2 distributors well if I didn't remind the people that
3 TVA has got to remain competitive in their ability to
4 supply electricity because of the other systems, the
5 IPP's that are coming in and putting these cogen
6 plants in, they did it for one reason, that was for
7 the buck. They weren't terribly concerned about the
8 watershed, nor were they concerned about my ability
9 to get electricity up on the 15th road to that little
10 old lady in the shack in the mountains.

11 MR. PHIL COMER: I have been to visit
12 that lady, she really is there.

13 MR. LEE BAKER: She is.

14 MR. PHIL COMER: He's not making this
15 up, she really is there.

16 MR. LEE BAKER: But, you know, I think
17 TVA has got a tremendous challenge, and I am cautious
18 in terms of the financial obligation because, you
19 know -- but if not TVA, who, and there is no other
20 who, there really isn't.

21 So whether or not you would ever
22 receive the acknowledgement and appreciation and the
23 enemies would back off, I doubt it, but I guess
24 that's the reason you're leaders.

25 FACILITATOR DAVE WAHUS: Phil and then

1 Ed and then Bruce.

2 MR. PHIL COMER: To some degree I
3 think we're touching on a subject where this group is
4 about to try to reinvent the wheel. This has been so
5 thoroughly done for the past 70 years at least in
6 California, Nevada, Arizona, with not only the rivers
7 but the aquifers.

8 I am most familiar with Nevada because
9 we operated a chemical plant there where we pumped 12
10 million gallons a day of a saline lithium from
11 underground Nevada, and it began subsidence-wise
12 affecting the whole state of Nevada. And then it
13 began affecting Owens Lake over near Bishop,
14 California, and you better believe that the answer to
15 this question has been extremely well investigated.
16 And someone connected with TVA from a legal and
17 engineering standpoint can really do some research so
18 that we don't have to reinvent the wheel.

19 What they have come up with out west
20 is not all bad. I mean, it had -- we've talked about
21 the water wars and so on in the movies we have seen,
22 but industrially and municipal and state regulations
23 have really reached a pretty good state of
24 cooperation. I mean, it really was not all that bad.

25 The first time we were approached by

1 the State of Nevada water agency we were sort of
2 stunned. We said we're not talking about potable
3 water, we're talking about 12 million gallons a day
4 that we pump into 6,000 acres of evaporation ponds,
5 and by God, we have got it from the Bureau of Land
6 Management and who are you? Well, we very quickly
7 found out who you were.

8 And fortunately, they had a great deal
9 to say about not just potable water but saline water
10 as well, and it had a very happy ending. You know,
11 after two years of discussions and a little bit of
12 litigation and so forth, it really ended up as a very
13 happy story.

14 We have a lot to learn here from what
15 they have already done in those western states. So
16 somebody ought to look into that.

17 FACILITATOR DAVE WAHUS: Ed.

18 MR. ED WILLIAMS: I think one of the
19 keys or the key is going to be getting all the
20 stakeholders at the table. And I think we have to
21 think about a carrot and a stick approach, the carrot
22 being leadership and other things from TVA, but
23 certainly the stick is court avoidance.

24 I have been doing mediation for almost
25 20 years now, Lee alluded to it, but I think the

1 stick is you have got to convince people that you
2 don't want the federal court system deciding this.
3 This is really about court avoidance long-term.

4 MR. GREER TIDWELL: That's why I
5 brought that up, Lee.

6 FACILITATOR DAVE WAHUS: Bruce.

7 MR. BRUCE SHUPP: My only thought is
8 that I think we all -- several of us may be looking
9 at -- maybe all of us are looking at a different
10 picture of what the end product is going to be.

11 I am looking at this process as not
12 setting the numbers coming out with the absolute
13 numbers that will define how water is allocated in
14 the future, I am looking at this process that we're
15 designing here as the mechanism to establish the
16 process that will decide how the water is allocated,
17 that's the way I am seeing it. So I am just
18 wondering if anybody else is seeing it as a more
19 definitive process.

20 FACILITATOR DAVE WAHUS: Greer.

21 MR. GREER TIDWELL: I agree, Bruce. I
22 think, you know, one of the outcomes to me is a
23 consensus on demand forecast. We need all the states
24 to have some consensus at a governor and staff level
25 that the demand forecasts have been arrived at

1 scientifically and there's a consensus of the numbers
2 that are assigned out to different states, then that,
3 in and of itself -- if that's already done, I would
4 like to know about it, if all the governors agreed
5 that somebody has got the right number for their
6 state in demand forecast, but that, in and of itself,
7 and getting them to the table to openly discuss it.

8 So to me there's two outcomes, one, a
9 consensus on the demand forecast, and two, open
10 statement of water management policy.

11 MR. GREER TIDWELL: My picture of the
12 outcome would be an open statement by the governors
13 essentially of their state policy on water
14 management, and then a lot of the other things will
15 come after that.

16 FACILITATOR DAVE WAHUS: Greer
17 captured your thought, right, Miles?

18 MS. MILES MENNELL: Yes.

19 MR. BRUCE SHUPP: Dave, we're really
20 mixing the objectives and strategies for No. 4 in
21 with the finished product here of No. 3 or the
22 outcomes in No. 3. So I think we're going to have to
23 search the list that we just established for No. 3 to
24 pick up some of the answers for No. 4.

25 FACILITATOR DAVE WAHUS: No. 3 is

1 actually two questions. One, what's the end-state,
2 and then what are the deliverables. Of the items we
3 have listed here on No. 3, which are the end-state
4 and which are deliverables?

5 The compliment regulations between the
6 states and TVA, is that an end-state or is that a
7 deliverable?

8 I am not sure it's clear to TVA from
9 the discussion we have had whether you intend that as
10 an end-state or a deliverable. And we could go down
11 the rest of your list and help TVA know what you
12 intended.

13 Maybe consensus -- I don't know,
14 consensus on going down to the end to what Greer just
15 talked about, are those consensus on demand
16 forecasts, numbers, open statements by the governors,
17 are those deliverables or are those an end-state? So
18 we could go through that whole list, if you choose to
19 do so, and identify which is which.

20 Miles.

21 MS. MILES MENNELL: I just would like
22 to refer everyone back to H.R. 135 on page 2 in terms
23 of -- and the purpose that's listed there on page 2,
24 it says, the nation's water resources will be
25 utilized to their fullest capacity in coming decades.

1 A thorough assessment of technological advances that
2 can be employed to increase water supplies in every
3 region of the country is important and long overdue
4 and a comprehensive strategy to increase available
5 water supply is vital to the economic and
6 environmental future of the nation. And it seems to
7 me that that would be the bottom line.

8 FACILITATOR DAVE WAHUS: So that's the
9 end-state?

10 MS. MILES MENNELL: That ultimately
11 that's the end-state, that's where we would want to
12 end up or some variation on that theme.

13 FACILITATOR DAVE WAHUS: What do the
14 rest of you think about that?

15 Good morning.

16 Do we have agreement or disagreement?

17 MR. PHIL COMER: I certainly agree
18 with that.

19 FACILITATOR DAVE WAHUS: Greer was up
20 first and then Jackie.

21 MR. GREER TIDWELL: I'm sorry.

22 FACILITATOR DAVE WAHUS: Okay. Now
23 Jackie.

24 MS. JACKIE SHELTON: Well, I have sat
25 here and listened to all of this and I have read, as

1 per the suggestion H.R. 135, and when we started this
2 I was confused as to what we were being asked to do,
3 what decisions we were asked to make. I think in my
4 mind we're getting confused with problems that the
5 entity we set up should solve at this meeting.

6 My understanding is we should
7 facilitate a means by which people could get together
8 and come to some sort of consensus on these technical
9 problems that we're really not -- I know, for
10 instance, I am not qualified to do that. And it
11 seems that -- H.R. 135 to me really is a wonderful
12 mechanism to go by, which includes everything we're
13 trying to do.

14 And I would hope that the model that
15 TVA has presented before the United States would be
16 used in such a way that it could develop throughout
17 the country, and perhaps, even going beyond that
18 because the water problem affects everyone. It
19 doesn't just affect the Tennessee Valley. It affects
20 everyone.

21 And as you have talked about things
22 out west where you draw water from one area, you
23 realize how it can tax on another. So we can't
24 really separate ourselves as one entity speaking in
25 terms of the Tennessee Valley Authority.

1 So if we could set up, as it says in
2 H.R. 135, to establish something which is merely a
3 mechanism, and we can't really -- I don't see how we
4 can decide ourselves as to what, other than the
5 purpose and the hopeful end result.

6 FACILITATOR DAVE WAHUS: Okay. Let me
7 refresh our memories just for a moment. On the top
8 of the page that has the six questions, there's a
9 paragraph, the first term Regional Resource
10 Stewardship Council recommended that TVA take a
11 leadership role in managing the water quantity and
12 water supply in the Tennessee River watershed.
13 Moving forward with this recommendation, TVA would
14 like explore in more detail the expectations of the
15 second term council with regard to establishment of a
16 watershed-wide partnership. Because an initiative of
17 this nature would require investments of scientific,
18 technical, and financial resources, additional input
19 is requested as follows, and subsequently the
20 questions that you're being asked are based on that
21 introduction.

22 And I apologize for not restating that
23 this morning before we restarted, but that's the --
24 that's the context in which you're being asked to --
25 these questions.

1 MS. JACKIE SHELTON: Excuse me.

2 FACILITATOR DAVE WAHUS: Go ahead,
3 Jackie.

4 MS. JACKIE SHELTON: I might consider
5 this as additional input.

6 FACILITATOR DAVE WAHUS: I appreciate
7 your input. I am not criticizing your input. I just
8 wanted to -- Bruce.

9 MR. BRUCE SHUPP: Dave, I think what
10 our main contribution to this effort has been, and it
11 hasn't happened already, is that we have emphatically
12 stated to TVA that we would want them to take the
13 lead and do this and they are the most qualified
14 entity to do it, and whether we flesh out every
15 specific objective and potential strategy or
16 take-home point from this effort is irrelevant at
17 this stage.

18 I think what we have to do now is
19 answer some of the other questions about time frame
20 and how are we going to pay for this and what are
21 some ideas of how to pay for this, we're not going to
22 figure that out either, but we can give them some
23 ideas.

24 I think we have done our main, I think
25 we have all unanimously stated that, yeah, the time

1 is right, you're the right outfit to do it, and here
2 are some of the things that we would like to see come
3 out of it. I think we have made that very strong
4 commitment already, and I think that's our
5 contribution to this series of questions. I think
6 we're really on the way to giving them a good answer
7 to this.

8 FACILITATOR DAVE WAHUS: Janet.

9 MS. JANET HERRON: As I look at this
10 and look at the bill, these are discussions of
11 assessments and strategies, that's great, we have got
12 a start there, but how do we take that assessment and
13 strategy and do something with it? How do we
14 implement that?

15 It's like the devils and the details,
16 it's great to talk about a commission, it's great to
17 say let's define how we reuse water, and all those
18 kind of things, but ultimately what are we going to
19 do with that? When we get done what's the world
20 going to look like? What have we done?

21 MR. GREER TIDWELL: Trying to get to
22 that question is part of why I sort of had the
23 picture of really sort of narrowing this right down
24 to, quite frankly, a couple of various specific
25 outcomes over the next two to three years, which is

1 essentially using political public pressure to get
2 the governors to assign the appropriate staff
3 together to develop a consensus on demand forecasts
4 and to have open statements of the water management
5 policy among those states.

6 Now, there's a lot to be done after
7 that, but that would be a huge step forward in two to
8 three years.

9 MS. JANET HERRON: Absolutely.

10 MR. GREER TIDWELL: And it goes beyond
11 the Tennessee Valley rivershed, but it seems to me
12 that leverage is on the expertise of TVA in leading
13 and pulling these states together. And maybe Florida
14 needs to be there as well. I don't consider them a
15 southern state, but they are down there.

16 DR. PAUL TEAGUE: Watch it.

17 MR. GREER TIDWELL: You must own
18 property down there, Paul.

19 MR. PAUL TEAGUE: They've got water
20 problems down there, too.

21 MR. GREER TIDWELL: That's why I said
22 out of valley stuff to begin with, I think we really
23 need to reach out and get those. I think it's -- the
24 best thing we can do for TVA is try to define a very
25 focused approach or very focused end product for a

1 process.

2 MS. JANET HERRON: Right.

3 MR. GREER TIDWELL: Knowing that
4 there's a lot to be done after that in terms of
5 developing better regional plans, figure out how
6 you're going to pay for -- who gets what drop of
7 water where, but, boy, just getting some technical
8 answers about the demand forecasts and forcing a
9 governor level statement of water management policy
10 on the open table would be a huge step in the right
11 direction. To ask for much more than that in a about
12 two- to three-year time period, I think we're asking
13 for more than anybody can hope for.

14 MR. BRUCE SHUPP: I think the ACT/ACF
15 process should have set an example to most of these
16 governors that they want to avoid that process, that
17 water war process.

18 MR. GREER TIDWELL: Right.

19 MR. BRUCE SHUPP: And this would be a
20 logical step in avoiding it, in trying to come up
21 with some kind of preliminary agreements whereby you
22 didn't have to get into a ten-year effort to fight
23 for water.

24 You know, the governors have changed
25 since that whole battle has started, and I think the

1 incumbents now see they have got to solve the
2 problem. I would think any new governor coming in
3 would say, yeah, I don't want to get into that
4 either, let's move forward with that process. I
5 think you have got a good sales tool here to bring
6 everybody together.

7 MR. GREER TIDWELL: I want to make
8 sure my idea on the table is really clear though. I
9 am not suggesting a consensus on water management
10 policy among all the eight governors. I'm suggesting
11 a consensus on the technical demand forecast and an
12 open statement of water policy, because I truly
13 believe, and some of my forefathers went to war
14 because of this, that it's the states' rights to
15 specifically identify their own water policy.

16 I don't want to get involved in us
17 tyring to say all the states have to agree on water
18 policy, but let's get it out in the open and there
19 will be some -- a lot of debate on whose got the best
20 and what's going on, but at least getting that water
21 policy out on the table, I think, would take us a big
22 step forward.

23 MR. BRUCE SHUPP: And then the next
24 step is to agree on a process to adjudicate
25 differences of opinion or to mediate. Judicate was

1 the wrong word, to mediate difference of opinion.

2 MR. ED WILLIAMS: I think the ultimate
3 end result ought to be an interstate Compact with the
4 states as signatories that transcends gubernatorial
5 elections and the politics, I think that's the
6 ultimate end result that we're looking for.

7 FACILITATOR DAVE WAHUS: I'm seeing
8 several heads nod in agreement.

9 MR. GREER TIDWELL: Yeah. I just
10 think it's a step process to get there. And to ask
11 for that sort of as the front part of this is asking
12 too much out of the relationship with the politics
13 that are there now. So I think that will be in the
14 next two-year process.

15 MR. ED WILLIAMS: That's why I said
16 the ultimate end result.

17 MR. GREER TIDWELL: Yes. Yes.

18 FACILITATOR DAVE WAHUS: Other
19 thoughts, comments?

20 MR. PHIL COMER: I think you're being
21 extremely optimistic to think this can be done in two
22 or three years. I think this is a five- to ten-year,
23 almost an ongoing forever project.

24 MR. GREER TIDWELL: Which this are you
25 talking about, Phil? I'm sorry.

1 MR. PHIL COMER: Do what?

2 MR. GREER TIDWELL: Which this are you
3 talking about being too optimistic in two or three
4 years?

5 MR. PHIL COMER: Well, you keep
6 referring to a two- to three-year time frame for this
7 group under the TVA.

8 MR. GREER TIDWELL: I mean, what I am
9 picturing in the offing now is breaking it up into at
10 least two major steps. The first two- to three-year
11 time frame is consensus on demand and open water
12 management policy statement from all the governors.
13 There's at least one next stage, which would be
14 headed more toward the Southeastern Regional Water
15 Compact.

16 MR. ED WILLIAMS: That's more than ten
17 years.

18 MR. PHIL COMER: At least.

19 MR. GREER TIDWELL: Yeah, that may be
20 ten years. It's at least another two or three years
21 out from developing some consensus on demand curves
22 and forcing -- not forcing, leading each of the
23 states towards making an open statement of water
24 management policy.

25 MR. PHIL COMER: Again, based upon

1 what's already happened out west, and I would like to
2 reemphasize, if there was any single suggestion that
3 I would make to TVA is to assign someone in your
4 legal and/or engineering department, or Mr. Gibson
5 obviously is involved, with his obviously good
6 background already going, plus someone from the legal
7 department to find out what has already been
8 accomplished through much pain and suffering over 50
9 years out west, Nevada, California, Arizona, in
10 particular, I mean, studying -- beginning with
11 HechHechee (phonetic), when was that, 1907?

12 MR. ED WILLIAMS: In the early 1900s.

13 MR. PHIL COMER: 1907 when Mure and
14 Gifford Pinchot disagreed so valiantly, take your
15 pick, do you agree with Mure or do you agree with
16 Pinchot?

17 I don't agree with either one of them
18 really, which comes as no surprise, but there's a
19 tremendous history here which would save us a lot of
20 time, would save TVA and this group a lot of time if
21 someone would really become knowledgeable and share
22 not what they went through but what they finally have
23 arrived at, which is a pretty workable
24 interstate/intrastate concept on water management
25 today.

1 They were forced into it much earlier
2 by the critical limitation of water that we're just
3 now beginning to really face up to, but I think our
4 problem is closer at hand than we think. The water
5 shortage in the southeast, I think, is far more
6 critical as we sit here today than most of us realize
7 or are willing to admit.

8 FACILITATOR DAVE WAHUS: Stephen.

9 DR. STEPHEN SMITH: You know, Greer,
10 and I am not sure how relevant this is, but as I was
11 listening to you talk about your proposal with the
12 governors, I was drawn back to some work that we did
13 with governors on air quality and trying to get
14 southeast governors to get together and agree on air
15 quality things and work together and, you know, that
16 was -- you know, a laborious process, and then the
17 minute the elections kicked through and we basically
18 changed, we -- you know, we had four southeast
19 governors participating in these governor summits
20 which, again, were sort of a voluntary thing, and
21 three of the four were replaced and now the question
22 of the process is somewhat dead in the water. So I
23 would be interested to hear, you know, what's going
24 to -- how you would keep it going through elections.

25 And then I kept hearing in their

1 statements a lot of their worrying about whether they
2 took actions in their state that would somehow limit
3 economic development, there still is a lot of this --
4 I mean, even some extremely simple measures seemed to
5 be -- the governors seemed to be very resistant to
6 stepping forward.

7 I'm just wondering -- I mean, I agree
8 with you to some degree that it has got to happen at
9 the state level and you have got to do this, but the
10 track record there for southeast governors getting
11 together and making some tough decisions about how to
12 go forward, at least in my limited experience, has
13 not been that good.

14 It's a different resource, but it's in
15 some ways finite similarly in the sense that you have
16 a limit to what you can deposit into it and other
17 things like that without triggering negative
18 responses back. So I don't know. I don't know how
19 that works.

20 I don't know the role TVA would play
21 in all of that, but I just would hold that out as an
22 example of coordinated activity on a voluntary basis
23 by the southeastern states grappling with tough
24 issues that has not bore a tremendous amount of
25 proof. There's been a lot of talk, a lot of good

1 talk, a lot of press, a lot of good press, but, you
2 know, North Carolina took, you know, some action but
3 that was on its own.

4 FACILITATOR DAVE WAHUS: Ed, did you
5 have a comment?

6 MR. ED WILLIAMS: I'm sorry.

7 FACILITATOR DAVE WAHUS: Greer, do you
8 care respond to that or anyone else? Any thoughts?

9 MR. PHIL COMER: I have hopes that the
10 most fruitful work would take place below the level
11 of the governors' offices, quite frankly, for the
12 very reason that he's explained. I mean, the staff
13 people that we heard speak yesterday from these
14 different states, I mean, that's where I hope
15 progress can be made with intelligent, well-educated,
16 informed people like that who -- you know, they know
17 what they are talking about. The governors really
18 don't, quite frankly. Let's just keep it out of the
19 governor political arena as long as possible and let
20 people like that try and get together because they
21 are willing to.

22 FACILITATOR DAVE WAHUS: Greer.

23 MR. GREER TIDWELL: I think what drove
24 me toward sort of landing on those two particular
25 pieces is recognizing just what you said, Steve,

1 that, you know, Governor Bredesen's policy today is
2 not necessarily governor's XYZ's policy when he comes
3 in, and yet, it is a step in the right direction.

4 I mean, I just wasn't smart enough to
5 come up with how to make the perfect happen, which is
6 a completely well-balanced, consensus-based water
7 management situation that keeps brown water out of
8 the inner city pipes in Atlanta and gives us plenty
9 of small mouth bass habitat.

10 There's a good step forward of sort of
11 a -- because I think getting some consistence and
12 consensus on the demand picture in the future is an
13 absolute necessary technical platform for the
14 decision-makers and that's -- those are numbers and
15 processes that come into those numbers really
16 shouldn't really shift from governor to governor,
17 those staffs will hold on to that process, and then
18 at least get an open gubernatorial policy.

19 I mean, Governor Bredesen has got to
20 deal with, to the extent that we're progressive, the
21 progressive policy statements of the former governor.
22 The new governor can't ignore that. I mean, the
23 political pressure that will be held to them, not to
24 just ignore us. So at least it's a starting point.

25 DR. STEPHEN SMITH: When you do the --

1 I'm just curious, when -- if you were to try to
2 develop this potential demand for it, is that what
3 you're saying, sort of what you anticipate what the
4 demand would be in the future?

5 MR. GREER TIDWELL: Yeah.

6 DR. STEPHEN SMITH: It would seem to
7 me that some of the states may try to gain that up --

8 MR. GREER TIDWELL: Sure, absolutely.

9 DR. STEPHEN SMITH: -- to their
10 advantage. And then, you know, we saw growth figures
11 around Atlanta that are, you know, clearly not
12 sustainable, but is there -- you know, there are
13 other envious folks that want those kinds of numbers,
14 for whatever reason, and, you know, you sort of get
15 back to this, you know, where are you now, where do
16 you want to go when you have the competing sources at
17 work there. I mean, it's going to be a huge
18 challenge, and I am just wondering how politically
19 you get through that because, like I say, they --
20 nobody wants to do anything that they would view as
21 somehow or another constricting their opportunities
22 in the future.

23 MR. GREER TIDWELL: That gaming is
24 exactly why I think to focus this effort that TVA
25 would lead on that particular issue is enough work

1 for anybody. I mean, it's not an easy task. I don't
2 think that's easy at all, but I think it's crucially
3 important. At least it will get that process going
4 forward in an open and hopefully good science-based
5 process.

6 DR. STEPHEN SMITH: So you don't think
7 the federal government has a -- I mean, it seems to
8 me if the water is across the Tennessee lines then it
9 immediately makes it a federal issue.

10 MR. PHIL COMER: Sure, it is.

11 DR. STEPHEN SMITH: The states would
12 have to acquiesce to some degree. I mean, I know
13 that that's not politically popular, but it would
14 seem that that --

15 MR. GREER TIDWELL: Part of what I am
16 trying to save our states from is having this
17 commission on a 135, once again, from Washington,
18 D.C., telling us how to run business down here in the
19 southeast. I think we will get a better answer if we
20 get the southeast together to think about how to run
21 business down here in the southeast.

22 MR. BRUCE SHUPP: And set a model for
23 the rest of the country.

24 MR. GREER TIDWELL: And set a model
25 for the rest of the country.

1 FACILITATOR DAVE WAHUS: Ed.

2 MR. ED WILLIAMS: Greer has alluded to
3 good science, I think, a couple of times, but I think
4 maybe ensure good science, that didn't get up there,
5 but it ought to be on the radar screen.

6 MR. GREER TIDWELL: I think I had
7 assure.

8 FACILITATOR DAVE WAHUS: Paul.

9 MR. PAUL TEAGUE: We have chewed this
10 up pretty well, spit it out, come up with some ideas,
11 and this time it's been the ideas of this council. I
12 would like to see -- ask Kate what her ideas are as a
13 representative of TVA of where we -- are we on the
14 right approach from their standpoint and does she
15 have any ideas where we should go from here?

16 DR. KATE JACKSON: Well, one of my
17 preliminary suggestions would be to look -- I mean, I
18 think you have some really good ideas. There are
19 obviously enormous gaps, but the responsibility for
20 closing those gaps, I think, no one is sure where
21 those should be.

22 Should it be with the states? Should
23 it be with interstate Compact development? Should it
24 be with the Federal Government? If it's some
25 combination of those? Whose premise rules? How do

1 you work that out? How do you get people to the
2 table?

3 I think a spectacular example is in a
4 relatively benign forum like this yesterday the
5 Georgia folks didn't show up, and so -- and another
6 data point is it took us 11 months to get some of you
7 guys appointed to this, and that's not about a finite
8 resource negotiating process, this room isn't. So,
9 you know, I think we need to think about that a
10 little bit.

11 So one of my suggestions would be for
12 you to go back now when you get to the end of this,
13 first go through, get lots of information out, get
14 lots of ideas out, go back and say, okay, what is
15 actually achievable in the short-term, and some of
16 the things that are achievable is bring the states
17 together and sit down and say, what are your laws
18 now, what are your policies now, how do they compare,
19 where do they conflict, what problems is that
20 causing, sort of just data gathering.

21 Another thing is bring people together
22 and begin to talk about what the USGS study actually
23 said, what is the supply issue through 2030? What
24 are the technologies that are available to do some of
25 those near-term things that are highly

1 accomplishable, and then think about what is possible
2 and maybe get those people who then have come
3 together to talk about that stuff of how would we
4 move through a southeastern water resource constraint
5 discussion process rather than saying, TVA, go fix
6 water policy in the southeast, you know, you guys --
7 I don't know what I would do with that
8 recommendation. It's a great idea, but I think it's
9 politically attractable and bureaucratically
10 exhausting.

11 So, you know, think about great ideas,
12 really good opportunities, huge gaps, what are the
13 priorities, what can be accomplished in the
14 short-term.

15 DR. STEPHEN SMITH: Kate, can I ask a
16 follow-up?

17 I'm curious, and this may be obvious,
18 but I am curious, is TVA running into conflicts with
19 states now?

20 It seems to me, at least for the
21 defined Tennessee Valley watershed and the mission
22 that TVA has, that you-all have a pretty big stick to
23 engage in discussions about water within your water
24 shed. Now, as you get beyond your water shed I think
25 it rapidly diminishes obviously, but it would seem to

1 me that within the Tennessee Valley proper TVA is in
2 a pretty good position.

3 Now, I know that as you begin to -- as
4 the conflicts begin to heat up and the politics heat
5 up, you guys don't want to be, you know, with the
6 spotlight on you making the tough decisions
7 politically by yourself, and so I can understand how
8 you would want to work that out.

9 I am just curious. Are there examples
10 of where these conflicts are happening that you have
11 already bumped up against the state rights issues or
12 anything? I mean, are there some examples?

13 I am just trying to understand where
14 we are or do you see some things coming quickly?

15 DR. KATE JACKSON: They are few and
16 far between.

17 DR. STEPHEN SMITH: Today?

18 DR. KATE JACKSON: Today. And that is
19 because of the supply availability.

20 DR. STEPHEN SMITH: Right.

21 DR. KATE JACKSON: The place where we
22 have actually the most careful negotiations with the
23 states are when the states -- it's in the interbasin
24 transfer world. When the state very much does not
25 want to have a transfer happen, they also don't want

1 to be the ones that they say they don't want to have
2 a transfer happen. So they want a state's rights
3 state supremacy, but they don't want to make it look
4 like they did it. We're on a very uncomfortable
5 negotiated role with the two states and our
6 responsibilities. So that's actually been the most
7 difficult.

8 DR. STEPHEN SMITH: And I take it that
9 there is a fear that as these issues heat up and TVA
10 is continuing to thrust forward that there's some
11 concern that TVA's ability -- that somebody gets a
12 decision or an action by TVA that pisses them off
13 basically, and then they come back politically to try
14 to strip TVA of its ability and eventually the fear
15 would be that TVA would be neutered, so to speak, to
16 be able to be part of the decision-making process.

17 Is there some fear of that happening?

18 DR. KATE JACKSON: No.

19 FACILITATOR DAVE WAHUS: Phil and then
20 Paul.

21 MR. PHIL COMER: I believe that there
22 is legal precedence for what we're talking about,
23 Kate, in the original Muscle Shoals Act of 1897, and
24 there were three that followed that. And then
25 finally a Supreme Court Decision in 1912 clearly

1 established and really settled the question of
2 state's rights versus federal over riparian rights.
3 I think the same, in all likelihood, would hold true
4 for what we're talking about today.

5 So, again, to answer his question and
6 what you're talking about, I have -- I would strongly
7 suggest that you go to our legal friend.

8 Where is he today?

9 DR. KATE JACKSON: Our legal friends
10 are here.

11 MR. PHIL COMER: Well, you know the
12 one I am talking about.

13 DR. KATE JACKSON: I do. Greg is here
14 instead of Barry today.

15 MR. PHIL COMER: Okay. I really
16 sincerely believe if they will look at the -- TVA is
17 rooted in the Muscle Shoals Act of 1897. TVA would
18 never have come to pass had it not been for the --
19 that basic law which was challenged and amended and
20 challenged, but finally really settled in 1912 by the
21 Supreme Court. I think what you're talking about
22 would find strong support in that.

23 DR. KATE JACKSON: Well --

24 MR. PHIL COMER: I think that's worth
25 looking at.

1 DR. KATE JACKSON: I will speak for
2 Greg, and then he can correct me. I don't think
3 anything is settled when a law is passed. In fact,
4 what the courts do is establish precedence-based
5 interpretation of those laws.

6 If you look at riparian law, there's
7 actually been very little court case settlement and
8 interpretation of that because we're water rich in
9 the east.

10 MR. PHIL COMER: Are you familiar with
11 Judgson King's book on this subject?

12 DR. KATE JACKSON: No.

13 MR. PHIL COMER: Well, read it because
14 it will really shed light on this.

15 DR. KATE JACKSON: I don't think
16 riparian law is settled, Phil. I mean, there are
17 loads of --

18 MR. PHIL COMER: Well, they're settled
19 enough that TVA has survived since 1933, and it's
20 based on a Supreme Court decision in 1912. So look
21 at it.

22 DR. KATE JACKSON: I am not going to
23 debate that. The issue is, you know, we're not going
24 to do something that gets us into a position of
25 establishment of federal supremacy when we don't need

1 to be doing that if there's some other things that we
2 can be doing to be doing some good for the
3 establishment of water supply issues in this region.

4 MR. PHIL COMER: I'm just suggesting
5 that you acquaint yourself with the history of this
6 particular point.

7 DR. KATE JACKSON: I got your
8 suggestion, Phil. Thank you.

9 MR. PHIL COMER: Believe me, it's
10 worth looking at.

11 DR. KATE JACKSON: Greg, do you want
12 to add anything?

13 FACILITATOR DAVE WAHUS: If you would,
14 would you come up to the microphone? You can sit in
15 the chair right here.

16 MR. GREG SINGER: Just a few comments,
17 listening to Phil talk, it reminded me of
18 conversations I have had with Kate Jackson over the
19 last year or so because what Phil has been saying she
20 should be doing she's been telling me I should be
21 doing for the last year or so.

22 DR. KATE JACKSON: Significantly more
23 than a year, Greg.

24 MR. GREG SINGER: We can have a debate
25 about how long. Phil, she's tasked my office, the

1 General Counsel's Office, to going back and
2 researching all the law, with particular attention on
3 the west as possible lessons to be learned there.

4 Just sort of a quick nutshell on some
5 of these points, there is a lot of riparian law, a
6 lot of riparian law cases, and Kate's right though,
7 it's kind of murky, but there's a big difference in
8 western law and eastern law, as you know.

9 MR. PHIL COMER: Sure.

10 MR. GREG SINGER: Eastern law is based
11 in riparian law. Western law is based on prior
12 appropriations. The lessons that we can learn from
13 the west don't translate all that well to the east
14 because of that.

15 So one reason we had that person here
16 yesterday from the Delaware Commission is that the
17 east is proceeding largely under a Compact model
18 right now because of the difficulties with riparian
19 rights.

20 So we're looking at the Delaware
21 Commission, the successful Hanna Commission, if
22 that's how you say it, as good lessons to be learned
23 there, as well as the west. There will be some
24 things there.

25 So in answer to your question, we are

1 doing what you're saying. Kate has been after us to
2 do it, and we're going to continue that.

3 MR. PHIL COMER: That's why I said
4 earlier, I am surprised you haven't done this.

5 MR. GREG SINGER: Kate's surprised,
6 too. Let me just mention also, Barry Walton, as you
7 know, is the person that's normally here.

8 DR. KATE JACKSON: He's going to read
9 that in the minutes, you guys.

10 DR. STEPHEN SMITH: There's not a
11 video, there's only audio.

12 MR. GREG SINGER: Rebecca Calhoun is
13 also from the General Counsel's Office. Kate said it
14 would take two people to fill Barry's shoes, and
15 that's why we're both here.

16 MR. PHIL COMER: At least.

17 FACILITATOR DAVE WAHUS: He will read
18 that in the transcript, too.

19 MR. GREG SINGER: He's my boss.

20 FACILITATOR DAVE WAHUS: Paul and then
21 Jimmy.

22 MR. PAUL TEAGUE: This falls in the
23 middle of this a little bit. First of all, I think
24 TVA has to take the major leadership role, even
25 though I am a state's rider also, but they are the

1 only people who can do it because it goes across
2 state borders.

3 No. 2 is I asked the question, what
4 can we do? How can we grease that slide to make it
5 better and easier to accomplish this multi state
6 idea?

7 I think the last two years we were
8 remiss in not taking advantage of some of the
9 approaches and the contacts that some of our members
10 here had further up the ladder. So I don't know that
11 we still have the same contact after all the
12 elections.

13 DR. STEPHEN SMITH: You may not.

14 MR. PAUL TEAGUE: I have none. Some
15 people do, and I think we should utilize that. Like
16 I said, the last time we did not take advantage of
17 it, in my opinion, but we have got W. C. here from
18 Georgia, a good friend of his Senator there. We have
19 got other people.

20 Ed and I are kind of out because we
21 came in the other side of the picture somewhat, but
22 everybody has somebody that they can talk to. If we
23 utilize that to remove that political astigmatism from
24 this, because let's face it, Republicans and
25 Democrats both have got to drink water, and we need

1 to do what's best for the area for TVA.

2 So let's utilize people that do have
3 the contacts because the governors, as most of you
4 have been involved in politics, they don't want to
5 have to stick their finger into this pie. They want
6 their underlings to take care of that, like you're
7 talking about the guys here yesterday. And if you
8 take that approach, ease it under the door, then they
9 will accept it, and if -- and the more we can do, the
10 more we can do to keep that aspect out of it, the
11 easier it will be for Kate and them to see that it's
12 carried out.

13 MR. JIMMY BARNETT: One additional
14 comment. As strong as I feel that TVA should have a
15 lead role in promoting, organizing, facilitating, and
16 everything, also understand from the political angle
17 that what happens here if TVA gets lambasted for one
18 thing, that also is going to affect the power
19 program.

20 Now, you know, I am a power man and I
21 live and breathe electric power, along with Lee and
22 Karl and some of the rest of us around here.

23 What TVA does in one area reflects on
24 the other one, and they're buzzards flying out there
25 even as we speak in Congress that would love to

1 really harm TVA, and ergo the eight million customers
2 and citizens within the valley from an electric
3 standpoint, for their own personal gain. That's the
4 pure and simple of it. It bothers me with the energy
5 legislation out there now.

6 So I am thoroughly in agreement with
7 Paul of trying to keep it as out of the front burner
8 of newspaper situation.

9 MR. PHIL COMER: Non-political.

10 MR. JIMMY BARNETT: As non-political
11 as possible. And Kate has such marvelous expertise
12 in explaining things, surely she can explain it to
13 the governors' staffs so they can get it done from
14 the governors, not just Kate, I am talking TVA, but I
15 don't really think that will happen. I think it's
16 going to get out there.

17 As we're doing all of this, I agree
18 with that. On the other hand, I think it's extremely
19 important that it be addressed, and TVA is the only
20 one that I can address it regionally and that's the
21 way I think we will get anything -- any good answers
22 because I don't think states by themselves, given
23 this particular watershed, will ever really get
24 anything done unless they get together.

25 Let's get TVA, since they are

1 operating it, to try to get them together some kind
2 of way. That's the end of my dissertation.

3 FACILITATOR DAVE WAHUS: Thank you.
4 Stephen.

5 DR. STEPHEN SMITH: I am just curious
6 whether there is an example in the southeast of an
7 interstate Compact that has actually been faithfully
8 implemented.

9 MR. ED WILLIAMS: Fire, forest fire.

10 DR. STEPHEN SMITH: Oh, where they
11 agree to share sources on forest fires. Because I
12 know the ones that -- I mean, I think there was an
13 attempt to do one on nuclear waste that never worked.

14 MR. PHIL COMER: Is NASCAR an example,
15 would that --

16 DR. STEPHEN SMITH: And then I'm just
17 curious, I mean, because, you know, is there a model
18 in our region where the states on tough issues have
19 really worked together in a Compact type of format
20 and done it successfully?

21 I hear you on the fire, but I am not
22 really sure that has the same political ramifications
23 as some of the things we're talking about here. The
24 thing where there's -- there's heat in fire, but I
25 don't know how much --

1 MR. ED WILLIAMS: You use water to put
2 it out, too.

3 FACILITATOR DAVE WAHUS: Go ahead, Ed.

4 MR. ED WILLIAMS: The fire Compact is
5 probably a good place start to look at because it is
6 a sharing of resources and a sharing of mutual policy
7 among, I think, seven or eight southeastern states.

8 I chaired the Forestry Commission, and
9 it works very well, and it worked particularly well
10 in the two really bad fire seasons that we have had
11 in the past 20 years.

12 DR. STEPHEN SMITH: Is there anything
13 even below a Compact that the states are in real
14 collaboration with?

15 I mean, I know there's like -- they
16 get together, but I don't know that they really get
17 together on anything. That's what I am trying to
18 explore. I mean, I am just -- because if that is, I
19 mean, obviously there needs to be the communication,
20 but if -- I mean, how realistic is it for us to sit
21 here and talk about that if there's no history of it
22 and there's -- you know, and where there have been
23 attempts they have not worked. I'm not saying don't
24 do it, but I just think you need to be sobered by the
25 history of what's here.

1 FACILITATOR DAVE WAHUS: W. C.

2 MR. W. C. NELSON: I just wanted to
3 mention, I see Tom is here. Georgia and Alabama
4 apparently have worked out an agreement on a water
5 issue. I don't know whether he would want to expound
6 on that or not, but that's -- that can be done.

7 MR. PAUL TEAGUE: It's a start.

8 FACILITATOR DAVE WAHUS: Let me get
9 you a microphone.

10 MR. TOM LITTLEPAGE: Tom Littlepage
11 from the State of Alabama. I guess in terms of the
12 discussion I have heard just in the last few minutes
13 with regard to interstate Compact, that is really
14 challenging.

15 To my knowledge, the ACT and ACF
16 Compacts were the first Compacts in the southeast or
17 the east after Delaware, below Delaware, that dealt
18 with water. So we really felt like that was a
19 significant accomplishment, but the process by which
20 an interstate Compact is established is a very
21 tedious and politically and intensive exercise
22 because the legislation has to be passed, the exact
23 same language in every state legislature, then it has
24 to be passed by Congress and signed into law.

25 Once it is, the value of a Compact

1 then carries the force and weight of federal law as
2 opposed to a memorandum of agreement which you might
3 get the governors to sign, but really, when it comes
4 down to it, especially in something as tenuous as
5 water, it is not really that legally binding. So you
6 might find that although it would -- it's a start.
7 It would be the easiest way to start the process, at
8 least just to agree to begin to work towards some
9 kind of effort with regards to that. Then as that
10 matures, maybe the prospect of something -- more
11 force of law would be something to look at.

12 DR. KATE JACKSON: The only other
13 things I can suggest at the lower level like that are
14 the things like Joe Loggins talked about, and Greer
15 raised this earlier, the Fountain Creek, those people
16 coming together and trying to not really understand
17 the supply issue.

18 The other one is on the Upper
19 Tennessee, the Upper Tennessee Roundtable, which has
20 a couple of state representatives, some local folks,
21 a couple of federal agencies involved in discussing
22 water quality issues and water quality concerns and
23 sustainable use of that water supply improvement of
24 it, but again, that's not a legal body.

25 FACILITATOR DAVE WAHUS: Is that

1 within one state or is that --

2 DR. KATE JACKSON: No. It's Tennessee
3 and Virginia.

4 MR. ED WILLIAMS: And North Carolina.

5 DR. KATE JACKSON: And North Carolina.

6 FACILITATOR DAVE WAHUS: So it does
7 include three states?

8 MR. GREER TIDWELL: What was the name
9 of that again?

10 DR. KATE JACKSON: The Upper Tennessee
11 Watershed Roundtable.

12 Bridgette, do you want talk about that
13 a minute?

14 MS. BRIDGETTE ELLIS: Yeah, I can. As
15 part of our, you know, responsibilities and what we
16 try to do in terms of improving water quality in the
17 Tennessee Valley, we look for ways to help facilitate
18 the local interests, the grass roots organizations to
19 talk about at a local level what their water quality
20 issues are and how they can work cooperatively
21 together.

22 The Upper Tennessee Watershed
23 Roundtable is one of those interests where you have
24 federal, you have state, you have local entities that
25 are sitting together talking about their local

1 watershed, what they can do to improve water quality,
2 and that's model that we try to use, you know, across
3 the Tennessee Valley.

4 That to me is one of the better ones
5 where you have got everybody with common interests,
6 common goals and objectives looking at how they can
7 improve water quality.

8 MR. PHIL COMER: How long has that
9 existed?

10 MS. BRIDGETTE ELLIS: I believe now
11 for a couple of years, I believe.

12 MR. GREER TIDWELL: I think that
13 raises a really significant question about an
14 alternative to the role that we're looking at now,
15 sort of expanding beyond the Tennessee River Valley,
16 sort of pushing TVA toward looking at more local
17 processes and really giving strong support more
18 locally, and maybe they go parallel, and you end up
19 doing both, as well as dealing with the national
20 commission, which is going to go through if this gets
21 started, H.R. 135.

22 You know, we have been talking about
23 sort of expanding TVA's influence and leadership sort
24 of outside of the Valley, and what Bridgette was just
25 telling us about is some success they have already

1 had in helping on a much more local level.

2 FACILITATOR DAVE WAHUS: W. C.

3 MR. W. C. NELSON: I was just curious,
4 Bridgette, how were you-all able to accomplish a
5 roundtable group? How did you get it started? What
6 have you accomplished with the group?

7 MS. BRIDGETTE ELLIS: Typically it
8 comes from a single user group or a single problem
9 that people begin to rally around, maybe they have
10 got a sediment issue, maybe they have got --
11 whatever, they may come up with some thing and they
12 say, we have got to do something about this.

13 So what our role is is to help them
14 figure out who are the players, who are the types of
15 the people that they need to have at the table. What
16 we try to get them thinking about is from their grass
17 roots level, once you solve that problem, if you do,
18 then what are the things that will help to continue
19 assure water quality.

20 MR. PHIL COMER: But how did it get
21 started?

22 MS. BRIDGETTE ELLIS: It starts
23 typically --

24 MR. PHIL COMER: I mean, in that
25 particular case, what was the genesis of that group?

1 Who started it? What was the problem?

2 MS. BRIDGETTE ELLIS: It was a locally
3 led issue.

4 MR. PHIL COMER: What was the problem?

5 MS. BRIDGETTE ELLIS: The problem
6 there, I believe, was the acid mine deposition, those
7 kinds of things.

8 MR. ED WILLIAMS: A combination of
9 that and the rural pollution, agricultural pollution.

10 MS. BRIDGETTE ELLIS: Those were the
11 two drivers.

12 MR. ED WILLIAMS: That has evolved now
13 into a TVA -- excuse me. EPA just created that as
14 one of their 20 watershed programs and funded it just
15 this past few days, I mean, within this week as an
16 add-on.

17 RC&D and NRCS and TVA and EPA, there
18 are a whole lot of players all sitting at the table
19 in the Upper Holston. I have been working on some of
20 the issues for them.

21 FACILITATOR DAVE WAHUS: Steve.

22 DR. STEPHEN SMITH: Again, I may be a
23 little off here, but it would seem to me that looking
24 at this that -- I'm almost hearing two conversations.
25 One is, what do we do within the Tennessee Valley

1 itself?

2 There's a great deal of concern that
3 the Tennessee Valley obviously isn't an island unto
4 itself and that things that are going to be happening
5 throughout the southeast are going to dramatically
6 impact the Tennessee Valley, even if we tried to get
7 it right.

8 TVA already does a reasonably good
9 job, I think, of pulling together watershed teams and
10 educating people. This is another example of -- they
11 sort of -- you know, you have got to have a core
12 group of good folks, and stuff like that, and I know
13 you-all have been working with a number of different
14 NGO's and small groups throughout the Valley, and I
15 think that -- obviously the more you can keep those
16 things going you have -- and I -- and I assume that
17 some of those groups are at least marginally aware,
18 if not greatly aware, of some of these issues, and
19 that creates at least a base of informed intelligent
20 people that hopefully, you know, help the political
21 decision-making process and everything as you go
22 forward.

23 So the more TVA, I think, can buttress
24 that within the Valley and figure out ways of having
25 some of that existing infrastructure strengthen, I

1 think it begins to insulate the Tennessee Valley
2 against some potential problems and other things that
3 could happen. I mean, I think there's a role there.

4 The question becomes, you know, if,
5 you know, outside forces come in and begin -- that
6 potentially disrupt -- you know, in a response to a
7 crisis further south they want access to a water that
8 begins to disrupts some of the things that have
9 already been worked out in the Tennessee Valley, I
10 mean, I am projecting, I don't know that that
11 happened, you know, what -- and that's what you would
12 want to have some sort of interstate Compact for to
13 try to prevent that from happening, is that -- I
14 mean, I am trying to follow the sort of point of --
15 you know, at what point do you have to have something
16 in place to prevent something else from happening?

17 I don't know if I am making any sense,
18 but I am -- I am not quite sure what's the sort of
19 action point here that, you know, something has to be
20 in place. What's the scenario you would try to
21 prevent from happening by having something?

22 FACILITATOR DAVE WAHUS: The question
23 still before us is, what could be the successful
24 end-state for such a watershed region partnership,
25 and specifically, what are the deliverables that

1 could result in the desired end-state?

2 Other comments? Discussion?

3 Let's take a 15-minute break.

4 (Brief recess.)

5 MR. BRUCE SHUPP: Take your seats,
6 please.

7 FACILITATOR DAVE WAHUS: Ladies and
8 gentlemen, I want to go over the game plan.

9 Are we on, Paul?

10 MS. MILES MENNELL: I have a question
11 I want to ask.

12 MR. BRUCE SHUPP: Let's go over the
13 game plan for the rest of the scheduled session so
14 that we can all agree on how to proceed. We have a
15 public -- we took a break early and we have a public
16 comment period scheduled for right after our formally
17 scheduled break.

18 What we're going to do is from 10:30
19 to 12:00 is the legally announced public comment
20 period, so far we have one person that has showed up
21 to make a comment. And if that holds true for the
22 next 25 minutes we will address that comment and then
23 move on immediately into our discussion, but if
24 anybody else shows up during that period before noon
25 we will terminate our discussion at that point or

1 stop our discussion at that point and let the public
2 comment and then keep moving forward.

3 It is conceivable that we could have
4 answered today's questions before noon and we could
5 be at the point where we break -- adjourn at noon,
6 eat lunch, and everyone be on their merry way; that
7 is, assuming you can come to conclusions and
8 agreement on the answers to these six questions.

9 So with that, I will turn it back over
10 to the facilitator and we will move on and go from
11 there. At 10:30 we will stop and start the public
12 comment period.

13 FACILITATOR DAVE WAHUS: Thank you,
14 Mr. Chairman. Does anyone have any second thoughts
15 in response to question No. 3?

16 MS. MILES MENNELL: Well, I just have
17 a question I wanted to answer -- ask, not answer. We
18 might have already addressed this, but we're dealing
19 with seven different states obviously and we're
20 dealing with seven different permitting systems and
21 we're dealing with seven different potentially
22 planning or zoning regulators. So it occurs to me
23 that land use obviously is going to be something that
24 we really need to take into consideration in our
25 discussions of planning for water use, but more

1 importantly, we need to be thinking about growth
2 management in terms of water use planning.

3 I'm out of my realm of expertise here,
4 but at our last council meeting we talked about land
5 use and land planning and public land and -- which is
6 a periphery of this conversation, but I'd like to
7 hear some comments about that and what we do about
8 land use planning and growth management and how that
9 fits into what we're talking about today.

10 FACILITATOR DAVE WAHUS: Okay. I
11 suspect we're going to have to have some time to
12 think about that one. Jimmy, did you want to take --

13 MR. JIMMY BARNETT: Of course, TVA's
14 integrated approach to operating the river, as we
15 discussed during the first session, everything
16 impacts everything else, as in most of life.

17 All of this would make some
18 difference -- for an example, in our area if I were
19 perceived as doing anything that would impede
20 economic development or jobs, is what everybody calls
21 it, I would be run out of town on rail, tarred,
22 feathered, et cetera, et cetera, et cetera, but all
23 of it will be impacting the decisions that Alabama
24 makes for an example. We were talking about that a
25 little bit at the break. It does. I mean, it's just

1 there, and you have to deal with it one way or the
2 other.

3 I don't think though that -- I think
4 it's enough that we deal with just simply, hey, let's
5 get a group together, recommend to TVA that they get
6 a group together, they organize, facilitate, and
7 promote it and set up the first meeting and just see
8 where it goes from there. I don't think we can
9 dictate that, other than suggesting to TVA or
10 recommending, however you put it, that they do this,
11 that they bring these topics up, and they could even
12 suggest some things that need to be done.

13 I don't think that outside -- in the
14 rest of Alabama we could dictate anything. I don't
15 think that's really part of this purview, though it
16 is actually affected and will affect in turn the
17 water quantity.

18 It's important, TVA does it on a daily
19 basis now within the watershed. I think the best
20 example that everybody can look at from the seven
21 states would be that, hey, this is going on and it's
22 very effective, even in times of a lot of water and
23 in times of less water, everybody has problems with
24 it, but nobody else has a better solution.

25 FACILITATOR DAVE WAHUS: Paul.

1 MR. PAUL TEAGUE: There's no way you
2 can dictate to these people, I agree, but you can
3 sell -- the idea can be sold that this water
4 management is going to help jobs. It's going to help
5 growth. Unless we manage this water, there's no way
6 that these communities can grow.

7 So I think by education, we educate
8 these people and just tell them, say, hey, unless we
9 manage this water, you're not going to grow because
10 there won't be water available. I think it's a
11 salesmanship job. I think it would help us to get
12 their support if we approached them from that
13 standpoint.

14 FACILITATOR DAVE WAHUS: Okay. Thank
15 you.

16 Miles.

17 MS. MILES MENNELL: Well, I just think
18 that it's an issue that somehow we need to
19 incorporate into our thinking today, that, in fact,
20 water use planning and growth management are
21 intimately and intricately linked, that's really all
22 I wanted to reference, and that we needed to be
23 paying serious attention to that ultimately in our
24 deliberations.

25 FACILITATOR DAVE WAHUS: Question No.

1 4, what are specific examples of objectives and
2 strategies that might be used as input for a
3 partnership?

4 Bruce. You'll well notice that we
5 have captured about three or four bullets there of
6 comments that you made earlier that appear to Laura
7 and myself as strategies, and you can take a look at
8 that and see if you agree or not, but these are the
9 comments you made earlier.

10 Bruce, you wanted to make a comment.

11 MR. BRUCE SHUPP: Yeah. Maybe, Kate,
12 you can define this. You're looking for objectives
13 of how to proceed with the process from this point on
14 or objectives for the task force, or whatever it's
15 going to be called, once it's established.

16 I think we -- I think we have talked
17 about those objectives or those takeaways.

18 DR. KATE JACKSON: It's the latter.

19 MR. BRUCE SHUPP: It's the latter.

20 It's the procedural objectives, where do we go from
21 here?

22 DR. KATE JACKSON: (Moves head up and
23 down.)

24 MR. BRUCE SHUPP: Okay. That's what
25 we're talking about.

1 FACILITATOR DAVE WAHUS: So where do
2 we go from here?

3 What specific examples of these
4 objectives might be included in as input for a
5 partnership?

6 MR. BRUCE SHUPP: Jimmy, you started
7 it with your list, I think you should go forward with
8 that.

9 MR. JIMMY BARNETT: Okay. A
10 conference, first of all, to talk or discuss the
11 background and the needs, the selling job, why is it
12 needed, that sort of thing, and the possible -- even
13 suggest a possible vision as to what something might
14 look like, as we talked about earlier.

15 FACILITATOR DAVE WAHUS: Making a
16 suggestion so people can shoot at it?

17 MR. JIMMY BARNETT: Yeah, same thing
18 I'm doing here, form working subgroups to address
19 specific topics and issues like we need the first
20 session with the subcommittees and so forth, if
21 that's what's needed, a discussion of topics by the
22 entire group to arrive at a consensus, and you-all
23 know how hard that is. Perhaps some public meetings
24 and that -- I'm not real sold on public meetings. I
25 have been involved in too many barbeque sessions of

1 me and everyone else. Yeah, I know y'all laugh and
2 think that's a good idea, but at any rate, I don't
3 make good barbeque.

4 MR. ED WILLIAMS: I don't think
5 barbequed goat.

6 MR. JIMMY BARNETT: Oh, thank you, Ed.
7 A larger group of stakeholders probably needs to be
8 involved other than maybe even the first group by
9 subcommittee or by invitation or by speakers or by
10 whatever.

11 I think though that once that gets
12 started, I like the idea of a follow-up and a
13 reporting of the progress back to stakeholders, even
14 back to this particular group. What have we started,
15 you know, where is at, were we totally out of line or
16 whatever, and what was the result, not just to us,
17 but to everybody that's involved.

18 An overall objective might be to
19 suggest that, hey, we need to be able to maintain
20 sustainable use of our water resources for 50 to 100
21 years or from now on, that's just an example of some
22 long-term thing, and I like what you brought up.

23 And also, you know, we might wind up
24 being a model for the first of the country, and not
25 only the rest of the country but even some other

1 nations and whatever. Whether it's us or somebody,
2 somebody needs to because it's affecting the whole
3 world.

4 FACILITATOR DAVE WAHUS: Thank you,
5 Jimmy.

6 Bruce.

7 MR. BRUCE SHUPP: I just wonder if the
8 first objective wouldn't be by the next meeting of
9 the council to have TVA take and digest the
10 recommendations that the council provides them this
11 week and then come back with a strategy or a game
12 plan for how they would like to proceed based on the
13 recommendations and the objectives we still haven't
14 given them, but I think that would be the first
15 objective with a time frame set to it.

16 By the next meeting take the
17 recommendations given here and come up with their
18 interpretation, their suggested changes, the way they
19 want to proceed from that point, and then kick that
20 around with us again in September. So that would be
21 my first objective.

22 We now have to define what we're going
23 to ask them to do. Are we going to ask them to
24 consider calling a meeting -- a conference, as Jimmy
25 called it, a conference of the water agency

1 directors, a conference of the governors, is the --
2 should the board of directors of TVA sit down with
3 the governors' representatives and talk about this on
4 a real big scale and then step it down to the water
5 agency levels, that's what we have to discuss, but
6 that would be the objectives Nos. 1 and 2 as I see
7 them, by September come back with a game plan to do
8 objective No. 2, whatever that would be, and that
9 would be a conference or a meeting of some sort.

10 FACILITATOR DAVE WAHUS: Okay. Thank
11 you, Bruce. Thoughts? Comments?

12 Phil.

13 MR. PHIL COMER: My only reaction,
14 Bruce, and this is consistent with what I said
15 earlier, I agree with what you said, except I
16 strongly feel as a practical matter that they should
17 start with the level that -- not the governor level
18 but the real working level, like the gentleman that
19 spoke to us yesterday from the different states. I
20 mean, that's where it's going to get done. They know
21 what they are talking about. They are aware of the
22 practicalities. They are also aware of the needs,
23 the real -- that's what we're first concerned with.

24 And then at a later stage they will be
25 the people who can give TVA the pragmatic guidance as

1 to how they can eventually, ten years from now, eight
2 years from now, with luck, get some of these agreed
3 upon things passed in the various state legislators.

4 He's nodding his head. He agrees with
5 this. I mean, this is the practical, pragmatic way
6 to go about it. It isn't to start with the
7 governors. As Kate said, it took 11 months to get
8 one member of this group reappointed. I mean, it was
9 someone who had served on the first two-year term.
10 It took 11 months to get him reappointed.

11 MR. BRUCE SHUPP: I would like Tom to
12 comment on that, if you would, Tom, but the reason I
13 stated it that way is I don't expect the governors to
14 meet with --

15 MR. PHIL COMER: I wouldn't even
16 involve them to ask them to appoint representatives
17 if these guys --

18 MR. BRUCE SHUPP: It's the
19 chicken-and-egg syndrome. We can get the Tom
20 Littlepages and his boss, Trey Glenn, in the room and
21 they agree with TVA and the Tennessee people and the
22 Mississippi people as a wonderful idea, and then they
23 have to sell it up.

24 MR. PHIL COMER: That's how it has to
25 happen.

1 MR. BRUCE SHUPP: Well, it doesn't
2 always happen that way. So I'm not -- I would like
3 to hear Tom's idea of whether the selling up is
4 harder than trying to have it starting from the top
5 and coming down, because if you can't sell it up,
6 then they've wasted their time.

7 DR. STEPHEN SMITH: Before you
8 comment, Tom, real quick, is it -- I would be curious
9 to know whether -- and I don't know if the
10 gentleman's name you mentioned is head of ADAM, are
11 you talking about at that level, or -- you know, I
12 mean, at what point -- again, I don't know exactly
13 how the water branch falls within the whole structure
14 there in Alabama, but it would seem to me that you
15 may want -- you may not want the governor but you may
16 want the senior environmental officer in the room at
17 the same time because that may help you in the
18 selling of it, and I'm just curious to get your
19 insights on that one from an Alabama perspective.

20 FACILITATOR DAVE WAHUS: Tom.

21 MR. TOM LITTLEPAGE: Yeah. I think
22 that's true, in Alabama there's a water quantity
23 senior manager, there's a water quality senior
24 manager, there's a fish and wildlife senior manager,
25 so it's not one figure head in terms of overall

1 environmental policy in our particular state. Other
2 states may be different.

3 It is important to get those folks
4 together. I see it as a two-fold process. Obviously
5 you need the experts, the technical experts to help
6 frame what the problems are and what the projected
7 future is going to result in given a no-action --
8 no-change-of-action course of direction. So you need
9 that in terms of providing the governor some
10 realistic assessment of what problems they are going
11 to prepare for.

12 On the other hand, I think it's
13 important that you get the governors together to
14 establish some kind of infrastructure for
15 cooperation, for communication, and it's not
16 something that I think you would have to push to say
17 we're going to solve this tomorrow, you know, we just
18 see -- a group like this could say, we see these
19 problems are going to continue and are big problems.
20 Our agency is completely beyond the realistic
21 political, legal realm for us to get into land use in
22 Alabama, that's a big issue.

23 The state as a whole does not -- I
24 mean, one agency is not going to be able to handle
25 that, but you start that process. You know, you and

1 TVA as the adjunct group you're trying to help could
2 say, these problems are going to get worse. They are
3 experienced in pockets now. We're going to see it in
4 metropolitan areas, not just Atlanta are going to
5 continue to present problems to the southeast and the
6 growth patterns that we're going to see, and we
7 recommend that we set up an infrastructure to begin
8 the dialogue with a clear understanding and respect
9 of state sovereignty on some of these issues.

10 There is a commonality, you know,
11 there is not a single solution that somebody can come
12 up with that everybody will magically say, well, they
13 will fix it for everybody. It's one of those painful
14 processes that we have to go through, and to be most
15 beneficial, that we should all go through together to
16 help us with that.

17 So I would almost see like two
18 separate efforts, you know, one a more senior effort
19 among potentially governors and their senior policy
20 guys and gals to say, let's set up a process and
21 let's begin the framework for coordination and
22 communication. At the same time I think it's a very
23 worthwhile effort to get the experts together and
24 begin to identify where we have near-term problems
25 and issues and let's start laying out, what are the

1 potential solutions that we see on the horizon for
2 that.

3 FACILITATOR DAVE WAHUS: Thank you,
4 Tom.

5 Any other thoughts? Any comments?

6 What are some examples of objectives
7 and strategies that might be used as input for
8 partnership?

9 MR. GREER TIDWELL: This ought to
10 generate a little discussion. One strategy issue
11 would be to partner up with EPA Region IV in leading
12 this effort. I'm not a proponent of that idea, I'm
13 throwing that idea out there. I have got to decide
14 whether I like it first.

15 FACILITATOR DAVE WAHUS: Bruce.

16 MR. BRUCE SHUPP: Rather than to
17 partner up, I would rather invite them to the table,
18 but I don't see that as being an effective or
19 necessary way to begin the planning process. I think
20 the political entities within the basin are the
21 parameters that we look for and we ask them for
22 technical help, but I don't think they are the
23 planning agency guys.

24 MR. PHIL COMER: Greer, why not start
25 with --

1 MR. BRUCE SHUPP: None of the federal
2 agencies really or the planning agencies.

3 MR. PAUL TEAGUE: Not especially EPA,
4 because if it's stamped EPA it's automatically going
5 to fail.

6 MR. GREER TIDWELL: Is there a stamp
7 out there that will help it succeed, other than TVA?

8 MR. PAUL TEAGUE: Keep the stamps off
9 of it basically is what you do, is what Bruce is
10 talking about. Keep the EPA's stamp off of it, the
11 federal stamp off of it, the Republican stamp off of
12 it, the Democrat stamp off of it, let's talk about
13 water for the benefit of the whole.

14 MR. BRUCE SHUPP: And this quasi
15 public agency called TVA is providing the forum and
16 leadership and the facilitation skills and the
17 momentum, and it's not really the -- it's not
18 carrying this effort, it's leading the effort, and
19 therefore, nobody -- no agency has a logo on the
20 process.

21 FACILITATOR DAVE WAHUS: Phil.

22 MR. PHIL COMER: Greer, why not start
23 with a question that you talked about earlier today,
24 the demand, that question? That would be a
25 commonplace for them to start.

1 Incidentally, as a footnote, and I
2 don't mean in any way to disparage the comments made
3 by Jane Hutson, is that her name?

4 FACILITATOR DAVE WAHUS: Susan.

5 MR. PHIL COMER: Susan Hutson
6 yesterday, but the tremendous difference in the
7 demand factors between Mississippi and Tennessee, 800
8 something gallons versus 22 gallons, what-have-you, I
9 have a strong suspicion that their reporting or the
10 criteria or the methodology used to arrive at those
11 numbers is probably not consistent from -- he's
12 nodding his head again.

13 We haven't talked about this, have we,
14 Tom?

15 MR. TOM LITTLEPAGE: No, sir, we have
16 not. You're exactly right.

17 MR. PHIL COMER: There's no collusion
18 here. You know, that's incredible differences
19 between Mississippi and Tennessee on current, what's
20 the term, usage. There's got to be a methodology.
21 Just by observation there can't be that much
22 difference. And to glibly explain it by, oh, well,
23 they okay aqua fishing, they raise pond catfish down
24 there, therefore, that explains it and we don't
25 irrigate it, I'm sorry, I don't buy that.

1 The first thing they would need to do
2 would be to define how are we each -- how are we
3 going to evaluate that within my state, your state,
4 so that we're doing it the same way. And you will
5 find those numbers will be much closer together than
6 what we saw yesterday, but that would be a place to
7 begin.

8 FACILITATOR DAVE WAHUS: I am going to
9 recognize Ed, and then, Mr. Chairman, following Ed's
10 comment it would be time for -- to hear from the
11 members of the public that are available.

12 MR. ED WILLIAMS: Just by way of
13 information, for those of you who don't know Greer
14 very well, and in his defense, there was one regional
15 administrator at one time in the Atlanta Region IV
16 who was a forward thinker and who was really a
17 non-traditional EPA guy who would have been a great
18 leader in an effort like this, and that's why Greer
19 is so prejudice, it was his father.

20 MR. GREER TIDWELL: If I had thought
21 it was a good idea, I would have proposed it as the
22 way to do. I was actually expecting to say -- to
23 kind of hear, we don't want a federal stamp on this.
24 You heard that's my position, too, Paul, I don't want
25 a federal stamp on it.

1 I think -- I mean, I am trying not to
2 talk a lot right now, but I haven't yet heard
3 anything that swayed me differently than we need to
4 answer a technical issue of demand and get some
5 consensus and leave -- and make this process -- lead
6 toward the upper level policy development that gets
7 it out on the table and gets it open. I mean,
8 there's a lot that needs to be done after that, but
9 those are the first two steps that seem like we could
10 bite them off and chew them up.

11 FACILITATOR DAVE WAHUS: Mr. Chairman,
12 we're having some really good discussion at this
13 point and I hesitate to stop the discussion, but I
14 feel we must, so I will turn --

15 MR. BRUCE SHUPP: I think legally we
16 probably should and move forward. So this formally
17 opens the 10:30 to 12:00 comment -- public comment
18 period. We have thus far one speaker, Mr. Joseph
19 Robinson, from Abingdon, Virginia, and he would like
20 to speak to us on lake levels.

21 And Mr. Robinson, if you'd hold your
22 comments to ten minutes we would appreciate it.

23 MR. JOSEPH ROBINSON: Thank you. I
24 have timed this, so it should be about five minutes.
25 My name is -- greetings. My name is J. A. "Sandy"

1 Robinson and I live in Abingdon, Virginia. I am
2 speaking on behalf of the South Holston Lake Users
3 Association.

4 During the past 15 months we have
5 written numerous letters, have attended several
6 meetings, and have spoken with several
7 representatives of TVA concerning the lake level
8 issues.

9 We, again, make the following
10 requests: That the fall/winter drawdown not exceed
11 19 feet from the full summer pool. The winter pool
12 lake elevation should be not lower than 1710. Delay
13 your summer/fall drawdown and begin this on
14 October 1. Treat the users of South Holston Lake in
15 a similar way that you treat the nice citizens and
16 users of Boone Lake without penalizing the users of
17 Boone Lake. That you place a much higher emphasis on
18 recreation. Recreation should have equal importance
19 as flood control and the generation of electricity.

20 Some background information: There is
21 a remarkable difference in lake drawdowns when
22 comparing Boone Lake versus South Holston Lake. For
23 an average year on September 1 the drop in water
24 level for Boone is 0 feet versus 15 feet for South
25 Holston. On October 1 the drop in Boone is 4 feet

1 versus 22 feet for South Holston. On November 1 the
2 drop in Boone is 10 feet versus 29 feet for South
3 Holston.

4 Boone Lake has very high lake levels
5 during the summer -- spring, summer and fall seasons.
6 Typically the driest months are July, August, and
7 September. During October there is very little
8 threat of flooding. Approximately 75 percent of the
9 water in South Holston Lake originates from the
10 watershed in Virginia. The water from South Holston
11 Lake flows into Boone Lake.

12 The Boone Lake levels are maintained
13 very nicely to meet TVA's published criteria, which
14 is included in the TVA fact sheets. Patrick Henry,
15 Watts Bar, Loudoun, and Tellico enjoy full summer
16 pool elevations for 10 to 11 months each year. The
17 drastic drawdown of most of TVA's lakes results in a
18 decreased ability to generate hydropower when the
19 lakes are at their lowest levels.

20 Potential benefits of higher lake
21 levels: There would be a much longer recreational
22 season for fishing, boating, and water-skiing. There
23 would be a significant increase in spending by those
24 who use the lakes, and this would provide a big
25 impact in the overall economy of the area around the

1 lake.

2 The delayed lake drawdown would
3 provide TVA with better capability and flexibility to
4 generate electricity during the colder months. By
5 operating the South Holston Lake similar to Boone
6 Lake the net winter dependable capacity for South
7 Holston should be at least double that for Boone
8 Lake.

9 The extra water that passes through
10 South Holston in the winter should more than double
11 the current capacity listed for Boone. Then the same
12 discharged water from South Holston and Boone would
13 give a similar boost in capacity to the downstream
14 likes and hydro plants.

15 When the TVA lakes are maintained at
16 higher lake levels throughout the summer, fall, and
17 winter they would generate more hydro power with the
18 same amount of water. Increased profits and less
19 pollution would be derived from the use of hydropower
20 since it is the cheapest form of power. This would
21 result in a net gain of hydropower sales in revenue.

22 Leaving the tributary lakes up through
23 September will have no adverse affect on flood
24 control. There would be a significant increase in
25 retails sales, new jobs, and sales tax. There would

1 be a significant increase in electricity produced
2 each year.

3 Summary: Higher lake levels could be
4 a win/win proposition for TVA, more recreation
5 potential, a big economic impact for the entire
6 region, hydropower becomes more efficient, which will
7 allow TVA to compete more favorably in the
8 marketplace and at the same time providing the
9 necessary flood control and protection with almost no
10 additional risks.

11 TVA's public image would be greatly
12 improved. The TVA Board, its management, and its
13 staff are well educated, highly trained, and very
14 experienced to research and implement what should be
15 done to meet everyone's need throughout the TVA
16 region. We want TVA to be a strong utility and to
17 consider and implement our request.

18 Thank you.

19 I might add that -- it's not in my
20 text of my message to you, but you-all followed
21 President Bush here of late and his -- one of his
22 things that he's trying to do in the next year to two
23 years is to create another million jobs, and I would
24 hope that higher lake levels might be able to help
25 our nation in the job area.

1 Thank you.

2 MR. BRUCE SHUPP: Thank you,
3 Mr. Robinson.

4 A question for you before you sit
5 down. I want to thank you for a well prepared and
6 very concise statement, we appreciate that. We have
7 it in writing. It will be submitted to TVA.

8 Do you -- I want to make sure you do
9 understand that this council is not working on that
10 lake level issue at present.

11 MR. JOSEPH ROBINSON: Yes, sir.

12 MR. BRUCE SHUPP: And did you enter
13 these comments during the River Operations Study
14 public meetings and get it into the record there?

15 MR. JOSEPH ROBINSON: Yes.

16 MR. BRUCE SHUPP: Okay. Good. So
17 you're on record before this meeting then?

18 MR. JOSEPH ROBINSON: Yes, sir, with
19 letters and then attending a meeting up in our area.

20 MR. BRUCE SHUPP: Good. Any other
21 comments from council members?

22 Jackie.

23 MS. JACKIE SHELTON: I would like to
24 thank Mr. Robinson for coming. I have spoken several
25 times to him on the telephone, and his presentation

1 was excellent.

2 I'm hoping that when the lake level
3 report comes out, which I have been informed it will
4 be in October, that we will have good news. I am
5 very hopeful of that. Thank you for coming.

6 MR. JOSEPH ROBINSON: Thank you. We
7 hope it will be good news for our lake and all the
8 TVA lakes. I'll tell you this -- our lakes are
9 beautiful lakes. And, of course, when they are
10 beautiful is when they are the -- at this time of the
11 year. When they go down in the wintertime they are
12 not quite as pretty as they would be at this time.

13 Thank you.

14 MR. BRUCE SHUPP: Any other questions?
15 Thank you. Thank you, Mr. Robinson.

16 MR. JOSEPH ROBINSON: Yes, sir.

17 MR. BRUCE SHUPP: Are there any other
18 members of the public that would like to speak to the
19 council at this moment?

20 MR. GREG SINGER: Mr. Robinson, I'm
21 Greg Singer. I'm legal advisor to the ROS EIS
22 process.

23 MR. JOSEPH ROBINSON: Yes, sir.

24 MR. GREG SINGER: I just wanted to
25 clarify something for you. Your statement that this

1 is on the record, it may be in TVA's hands, but I
2 really want to encourage you, when our draft
3 environmental impact statement goes out, submit this
4 and any other comments you have and make sure it
5 really gets into the process.

6 So don't assume it's going to get in
7 the process because you've sent it to us now. We're
8 going to have a formal process. Submit it to us
9 again.

10 MR. JOSEPH ROBINSON: I gave some
11 extra copies to give to TVA.

12 MR. GREG SINGER: If you don't mind, I
13 will take this and give it to the ROS EIS team and
14 say, this is a public comment that needs to be
15 entered.

16 MR. JOSEPH ROBINSON: Thank you very
17 much. We appreciate that.

18 MR. BRUCE SHUPP: Good. Having no
19 public comments at the moment, we will hold the
20 record open and move forward with our discussion.

21 David.

22 FACILITATOR DAVE WAHUS: Thank you,
23 Mr. Chairman.

24 MR. ED WILLIAMS: Can I make a
25 comment?

1 FACILITATOR DAVE WAHUS: Yes, Ed.

2 MR. ED WILLIAMS: It seems to me that
3 in all of these discussions that we've focused on
4 problems and some negative issues, whereas, I see it
5 as an opportunity to turn this into a positive
6 solution rather than problem approach.

7 FACILITATOR DAVE WAHUS: Okay.

8 MR. ED WILLIAMS: And in doing that it
9 just simply tracks, as several people have said, H.R.
10 135. The whole thrust of that legislation is a
11 positive approach for increasing water quantity. It
12 doesn't deal with a lot of the problems we're talking
13 about, but it's the basic conservation, technology,
14 and the increase of water quantity.

15 So why don't we take that approach as
16 a proactive, positive thing, and the other part of
17 the problem will flow as a result of that initial
18 process?

19 It's a very positive opportunity to do
20 something moving forward, and it deals with purely
21 the increase of water quantity in the Valley.

22 FACILITATOR DAVE WAHUS: Okay. Any
23 responses to that?

24 Bruce.

25 MR. BRUCE SHUPP: My response would

1 simply be that I like that approach.

2 FACILITATOR DAVE WAHUS: I have seen
3 several heads nod. Are there any more specific
4 examples of objectives or strategies that might be
5 used as input for partnership?

6 Any other discussion on this issue?

7 MR. BRUCE SHUPP: One discussion, Ed,
8 when you say the other will flow from the process, I
9 think what we can do to make it more formalized is to
10 have the objective be to increase the water quantity
11 for the basin and then the strategies would be to
12 examine all of those other factors as strategy.

13 MR. ED WILLIAMS: Agreed.

14 FACILITATOR DAVE WAHUS: Any other
15 thoughts?

16 Well, then, let's go ahead.

17 MR. ED WILLIAMS: I just want to ask
18 Kate, I guess unless you're sitting in Chattanooga
19 today, you know, everybody, I would think, would be
20 on board for the increase of water quantity through
21 the things of H.R. 135, do you see any downside for
22 using that approach?

23 DR. KATE JACKSON: Well, I think there
24 are issues with respect to how much water and where,
25 and it isn't only Chattanooga. There are about nine

1 damming centers across the Valley, and right now
2 Savannah, Tennessee is -- the water is up about 5
3 feet, which is significant agriculture damage. This
4 is the worst time of year to have that happen
5 economically. So, no, I think there are issues with
6 that.

7 I think that this is an attempt to get
8 people together to do the kind of things that Greer
9 has talked about, which is talk about how much supply
10 and where it is and how we best manage that supply,
11 but I don't think everyone would agree more is
12 better.

13 MR. BRUCE SHUPP: I'm not sure -- I am
14 confused now. I don't think Ed was suggesting that
15 we're going to recommend it rain more.

16 DR. KATE JACKSON: Well, the words he
17 said was increased water supply.

18 MR. ED WILLIAMS: Which is exactly
19 what H.R. 135 -- that is the entire thrust of H.R.
20 135, the preamble, the findings, the purpose, and
21 then the duties of the commission.

22 MR. BRUCE SHUPP: Well, water supply
23 in that vernacular means ability to use water, as I
24 see it, but not necessarily means there should be
25 more water. We have no control over that anyway.

1 MR. ED WILLIAMS: Two and three in the
2 findings and purpose of 135 say, a thorough
3 assessment of technological advances that can be
4 employed to increase water supplies in every region
5 of the country is important and long overdue. Three,
6 a comprehensive strategy to increase available water
7 supply is vital to the economic and environmental
8 future, obviously, with certain restraints, Kate,
9 but, I mean, to me the water conservation, that's
10 just paramount to what the goal ought to be in this
11 region and that everybody, I would think, would buy
12 into that in terms of a long-range strategy from a
13 positive approach as opposed to a regulatory fee
14 based, can't take water out of the river unless you
15 pay X, Y, and Z and comply with these regulations.

16 FACILITATOR DAVE WAHUS: Any other
17 thoughts?

18 DR. STEPHEN SMITH: I think it's a
19 good thing to try to do. I just don't know if it's
20 going to be as motivational. I mean, I think
21 philosophically we would love to say that if you
22 talk, you know, positively it's going to motivate
23 people, but it seems to me what lights a fire
24 sometimes is --

25 MR. ED WILLIAMS: It gets them to the

1 table without the constraints of us trying to force
2 feed them or TVA force feed them into what the issues
3 ought to be. It gets everybody to the table for the
4 initial beginnings of a process that, I think, will
5 be very long-term. I just see it being done in a
6 very positive way that might enhance the process a
7 lot as opposed to trying to drag them in on some of
8 the negative issues.

9 MR. BRUCE SHUPP: I agree.

10 FACILITATOR DAVE WAHUS: Well, let's
11 go on to question No. 5. What time frame is
12 reasonable for a partnership to be established and
13 results obtained?

14 From some earlier discussions we have
15 identified up that there are two major steps, two- to
16 three-years consensus on demand forecasts and
17 governors' consensus on policy, which would take
18 several more years to complete.

19 Bruce.

20 MR. BRUCE SHUPP: I will repeat --

21 MR. GREER TIDWELL: I want to clarify
22 something just to make sure that I am not being
23 misstated in my recommendation.

24 FACILITATOR DAVE WAHUS: Okay. Thank
25 you.

1 MR. GREER TIDWELL: Two- to three-year
2 consensus on demand forecasts and governors'
3 statements of state policy. I am not looking for
4 governors' consensus on policy on two or three years.

5 I would recommend the strategy not
6 mean to tell the governors we're trying to get them
7 to get a consensus on policy. I think the first step
8 is to bring them to the table to openly establish
9 their state policy and openly establish it in the
10 room at the same time, if you will, which will drive
11 toward consensus, but I just think there's too much
12 to bite off to start off suggesting that we're going
13 to try to develop a consensus policy within the
14 region.

15 It would be great six years from now,
16 eight years from now, but there's enough of a first
17 step in suggesting that all the governors ought to
18 have a policy and everybody ought to agree with the
19 technical process of demand forecasts.

20 MR. BRUCE SHUPP: Let me suggest
21 another way to look at it, too. When Kate was out, I
22 will repeat --

23 DR. KATE JACKSON: Sorry.

24 MR. BRUCE SHUPP: -- for you that we
25 suggested that maybe our first objective should be to

1 provide you with whatever recommendations we have
2 here, and then objective No. 1 would be by the
3 September meeting you come back to us with your
4 analysis of our recommendations and a proposal to
5 move forward with them, okay, whether you -- you say
6 you can reject them, but your analysis and then your
7 response.

8 The second objective I would state
9 then that we would have is objective No. 1 would be
10 by September that TVA reports back on our
11 recommendations. Objective No. 2 would be that
12 within the year 2004 TVA take action to begin these
13 deliberations with the parties.

14 And then I am not so sure that we
15 should go much further than that, because once those
16 deliberations begin and the parties are at the table,
17 then they set the timetable for when they are going
18 to come up with a policy statement or even further,
19 you know, a formal Compact development. So maybe
20 that's all we really have to do is get the ball
21 rolling through TVA, that's our job, and then let the
22 players set the objective from that point on.

23 FACILITATOR DAVE WAHUS: May I ask a
24 point of clarification?

25 When you talk about a proposal to move

1 forward, are you talking about a plan of action as to
2 how they would initiate -- I'm not sure that I
3 understand what you mean by proposal to move forward
4 by September 2003. Could you clarify that a little
5 bit?

6 MR. BRUCE SHUPP: By September 2003
7 TVA would react to the recommendations we will give
8 them today and tell us how they are going to go
9 forward on those recommendations, and if in those
10 recommendations would be to have a conference in
11 2004, they would be telling us how they are going to
12 set it up and we can discuss that.

13 MR. PHIL COMER: That's what happened
14 during the first two years of this council, these
15 recommendations were made to the board, TVA board,
16 and approximately three or four months later at the
17 next meeting they responded by saying, yes, we will
18 try to do this or we won't, that's consistent with
19 the past, unless we've got another new set of rules
20 now.

21 DR. KATE JACKSON: And those rules
22 have been -- sort of with the format change, you give
23 us your views and advice in this meeting, and then,
24 you know, we talk over those with the board. We have
25 not committed to providing you a response. I don't

1 think we have a problem with that, but that -- we
2 sort of changed that up this term because they are
3 not formal recommendations to which we respond, but I
4 have no problem saying, here's what we did with them,
5 here's how the board is deliberating with them, and
6 here's how we think we will move forward.

7 MR. BRUCE SHUPP: The only difference
8 in what I am saying and what we did in the past is
9 we're saying we are expecting -- if you agree with
10 our recommendations, we would be expecting you to
11 respond on how you are going to move forward by 2003.

12 MR. PHIL COMER: If they disagree, I
13 would like to know, agree or disagree.

14 DR. KATE JACKSON: We don't have a
15 problem with that.

16 MR. PHIL COMER: I can't imagine you
17 having a problem with that.

18 FACILITATOR DAVE WAHUS: Miles.

19 MS. MILES MENNELL: Bruce, in the
20 second part where you in 2004 say TVA, during 2004,
21 should facilitate or initiate the discussion. I
22 would like to see them, if they come back with a
23 favorable response of what we're proposing, I would
24 like to see them get it started in 2004. Why just
25 take 2004 to talk about it?

1 MR. BRUCE SHUPP: No, that's what I
2 mean.

3 MS. MILES MENNELL: That's what I'm
4 asking.

5 MR. BRUCE SHUPP: That's what I'm
6 saying.

7 MS. MILES MENNELL: So the commission
8 actually is begun.

9 MR. BRUCE SHUPP: They have their
10 first meeting.

11 MS. MILES MENNELL: We're just not
12 talking about how we're going to do it, it's a done
13 deal.

14 MR. BRUCE SHUPP: Yeah.

15 FACILITATOR DAVE WAHUS: Other
16 thoughts or reactions? Agreements? Disagreements?
17 Stephen.

18 DR. STEPHEN SMITH: Can I just seek
19 clarification?

20 FACILITATOR DAVE WAHUS: Certainly.

21 DR. STEPHEN SMITH: Because we had the
22 previous conversation before we took the speaker
23 where we were talking about sort of a mid-level
24 discussion, TVA possibly, nobody's official stamp on
25 it, but TVA possibly facilitating it. Then we jumped

1 down to something that was discussed earlier that I
2 thought was somewhat, you know, tweaked and modified
3 through that conversation where we're back where
4 we're talking about, you know, the governors'
5 statements on policy.

6 I mean, what exactly are we looking to
7 happen in 2004?

8 Is it -- I mean, is it going to be
9 kicked off by these multiple states getting together?

10 Who else is going to be in the room?
11 Is that some of the -- I am just trying to understand
12 that exactly what is -- you know, what the
13 expectations are.

14 FACILITATOR DAVE WAHUS: Miles, do you
15 want to start?

16 MS. MILES MENNELL: I hope that by
17 2004 we will have established a group that's going to
18 study and develop recommendations for a comprehensive
19 water strategy, a commission, call it whatever we
20 want, that's what I hope that we will have initiated
21 sometime during 2004.

22 DR. STEPHEN SMITH: And the we
23 being --

24 MS. MILES MENNELL: The we being the
25 various stakeholders then who serve on that council,

1 which I don't -- we have listed a whole list of
2 people whom we think need to be included. And there
3 may be more, but those stakeholders will come to the
4 table in a formalized and organized way and they will
5 actually begin the process.

6 DR. STEPHEN SMITH: And then what is
7 the interface, say, with the sort of mid-level
8 technical experts at the state that we have --

9 MS. MILES MENNELL: And I can't answer
10 that, Stephen, but it would seem to me that as we
11 identify the stakeholders who come to the table that
12 they would be among those representatives serving on
13 the commission.

14 FACILITATOR DAVE WAHUS: Just a
15 moment, please. We're changing paper.

16 MS. MILES MENNELL: I am going to keep
17 talking.

18 FACILITATOR DAVE WAHUS: Go ahead,
19 Miles.

20 MS. MILES MENNELL: Now I've forgot
21 what I was going to say.

22 FACILITATOR DAVE WAHUS: Okay. Then
23 Bruce, your turn.

24 MR. BRUCE SHUPP: That's why I don't
25 want to get too specific in our recommendations. I

1 don't think we have to get too specific when we go
2 back to TVA. We have to tell essentially the outline
3 of what we want, but then Kate is going to go back
4 and talk to the board and talk to her fellow vice
5 presidents and they are going to see what's the best
6 way to do this.

7 Tom Littlepage suggested that maybe we
8 do a dual effort where we notify the governors or ask
9 the governors to appoint a representative to come and
10 talk about this. Maybe your board will say no, no,
11 no, let's go to the governor or whatever, but let's
12 give them the leeway to say, what's the best way to
13 get this done, and to come back in September and say
14 they have accepted the recommendation and here's the
15 way we think we would like to do it, that we've
16 talked about it and whatever, you know, we almost
17 have to go along with what they think. We can
18 certainly discuss it, but I think you should have
19 that flexibility.

20 And I am not sure if I was going to do
21 this tomorrow if I knew where I was going to start
22 either and how I would want to approach the state as
23 an entity, maybe just brainstorming with the Tom
24 Littlepages of each state and get that feedback
25 first, and then go out with a plan to reach the

1 governor, I don't know how you would do it, but I
2 don't think we have to be too specific, Steve. I
3 think they have to work on that and say how we are
4 going to approach this politically.

5 FACILITATOR DAVE WAHUS: Other
6 reactions?

7 MR. PHIL COMER: I agree with Bruce.

8 DR. STEPHEN SMITH: Yeah. And I'm not
9 looking to get too specific or become, you know,
10 where you're sort of dictating. I am just trying to
11 figure out because I would think that there is --
12 there is probably a political protocol that gets
13 activated at some certain level that may or may not
14 be critical at this point, is what I was sort of
15 understanding, and you may actually get more of at
16 least some of the early objectives done if you don't
17 engage in that political protocol that potentially
18 then slows things down and you try to go in at a
19 different level.

20 I am wondering if we should advise in
21 order to get some early preliminary information that
22 you maybe try to avoid that political protocol, so to
23 speak. The higher up the food chain you go I think
24 the more, my sense is, that you kick into a political
25 protocol that potentially slows the process way down.

1 I mean, we heard the statement about
2 going to the states to get an official designee to a
3 year almost for this council. And, you know, I don't
4 know whether you go sort of informally into a
5 different level, and maybe that's our recommendation
6 to try to avoid that protocol thing to draw the
7 states into a conversation and maybe then eventually
8 figure out a way to mix it up with some of the other
9 stakeholders so that it may sort of grow organically
10 as opposed to -- I mean, I think it's a strategy
11 point of view.

12 And I don't know how valuable our
13 recommendation is to TVA or how you go about doing
14 it, whether you want us to give you a very clear sort
15 of council sense of what we want, but I think it does
16 make a big difference about whether you're starting
17 to see tangible results in six months or 18 months
18 by, you know, sort of where you go in and do it.

19 FACILITATOR DAVE WAHUS: Do you want
20 to comment on that?

21 DR. KATE JACKSON: Yeah. I would
22 just -- I agree with you, and I would reiterate my
23 comment earlier, which is there are very doable
24 things near term, and they are relatively tactical
25 and they are relatively education and database

1 intensive. They are not policy related, and, you
2 know, maybe that's a good start.

3 It is not -- it wouldn't be FICA, it
4 wouldn't be formal, it wouldn't be appointed, it
5 wouldn't be a lot of money, but it would start the
6 discussions at the point of, you know, let's look at
7 this USGS report and understand what the implications
8 of it are and begin looking at the more technical
9 issues associated with that and then broaden that
10 stakeholder base. I mean, that's one approach.

11 That would be the one that I would
12 choose if I were launching into this rather than
13 having -- you know, developing a similar forum like
14 this, which is, you know, the political hackles go up
15 immediately, and, you know, maybe that's good, maybe
16 that's bad long-term, maybe that's where it needs to
17 go, but, I mean, I would like your views and advice
18 on that.

19 FACILITATOR DAVE WAHUS: Bruce.

20 MR. BRUCE SHUPP: Would that process
21 have an end point -- would it be started with an end
22 point that says we're going to get to the policy
23 stuff, that's why we're starting this, that we aren't
24 just going to talk about numbers, we're doing this
25 because we're going to ratchet it up into a policy

1 discussion.

2 DR. KATE JACKSON: I think that's a
3 good question.

4 MR. BRUCE SHUPP: I mean, I think if
5 you didn't, then the motivation to continue driving
6 that process would weaken over time.

7 FACILITATOR DAVE WAHUS: Jimmy and
8 then Jackie.

9 MR. JIMMY BARNETT: I guess this is a
10 little bit aside. Does anyone have a map of the
11 various states, maybe I am asking you this, Tom, that
12 shows the -- the watersheds and also the aquifers?

13 DR. KATE JACKSON: Not that I am aware
14 of.

15 MR. GENE GIBSON: I am sure we could
16 do that with the GIS system, put the different layers
17 on there, but I don't think we have that on a single
18 map right now.

19 MR. JIMMY BARNETT: With also the
20 political boundaries superimposed lightly over the
21 top of that, that would be interesting. I just threw
22 that out because they would help me think a little
23 more clearly.

24 FACILITATOR DAVE WAHUS: Jackie.

25 MS. JACKIE SHELTON: I agree with Kate

1 wholeheartedly in that the process has to start with
2 alerting those people who need to be aware of the
3 potential problem.

4 And having all of the different states
5 involved, the governors, in my mind, I don't see how
6 we could start without involving from that level.
7 And whether it's an educational process or whether
8 relying on the reputation and the successes of the
9 Tennessee Valley Authority, which I think that's very
10 substantial, that, in itself, I think, will raise the
11 flag, which is what we need to do.

12 It may take longer, but I feel like by
13 starting this process -- and I feel like using H.R.
14 135 as an example or as our model, that, in itself,
15 will help us, but I think TVA instigates the
16 educational process, and leaving it up to Kate, I'm
17 sure she knows exactly how to go about doing this.

18 It's a challenge, Kate, but I am sure
19 you can do it, but I think that's how we need to
20 start. And maybe it's kind of like throwing out a
21 feeler, but as a board we can push and get behind
22 this because we realize the problem, and we have to
23 establish the problem and get the information
24 flowing.

25 FACILITATOR DAVE WAHUS: Thank you,

1 Julie -- Jackie. I did it again, I called you Julie.

2 MS. JACKIE SHELTON: Pardon?

3 FACILITATOR DAVE WAHUS: I called you
4 Julie, and I apologize.

5 MS. JACKIE SHELTON: That's all right.
6 I speak to many different names.

7 FACILITATOR DAVE WAHUS: Any other
8 comments?

9 Well, then I am going to take you to
10 the next question, and then when we get done with
11 that we will go back and review and draw some
12 conclusions.

13 This is the tough question. How
14 should such a partnership and its activities be
15 funded? Where is the money coming from?

16 Did you say you have a comment?

17 MR. PHIL COMER: Yes.

18 FACILITATOR DAVE WAHUS: Please, Phil.

19 MR. PHIL COMER: We have 158
20 distributors of TVA and they are all abundantly
21 financed, and the money will have to come from TVA
22 and the eight million ratepayers throughout the
23 region.

24 Where else?

25 Heavens, we can debate that until the

1 cows come home.

2 MR. JIMMY BARNETT: Part of my
3 expected response is, I don't think so. The other
4 thing is that I think the initial thrust of this,
5 since it's important to -- it's important to my
6 system, and I think it's important to the Valley, I
7 think it should come -- the initial setup of the
8 meeting, the first meeting, for an example, some of
9 that should be borne by TVA, thus, the eight million
10 clients, and I may get run out of the valley. Who
11 knows?

12 Beyond that particular point, the
13 longer term effort, I think -- and I know the states
14 are hurting. I know Alabama is hurting. My town of
15 Sheffield is hurting. I'm hurting. I personally am
16 hurting. My IRA is way down.

17 I think there should be some mechanism
18 determined by this group that's being -- going to be
19 set up. Hey, okay, here's a problem, how are we
20 going to fund it, not just TVA, but how are we going
21 to fund it?

22 FACILITATOR DAVE WAHUS: Did we
23 capture that up there right, long-term effort ongoing
24 costs by stakeholders or partners?

25 I'm sorry. Greer.

1 MR. GREER TIDWELL: I was just going
2 to say that from a business speculative that any
3 successful business that's going to be sustainable
4 for the long-term is going to churn some of their
5 money into midterm and long-term planning. And to
6 the extent that fallen water equals electrons, this
7 is part of mid- and long-term planning. That's the
8 way I see it. I would like to hear back if that's
9 not an appropriate way to look at this from the
10 distributors.

11 MR. JIMMY BARNETT: I guess a response
12 to that, from my standpoint at least, I don't speak
13 for anybody but myself, I would assume that TVA,
14 being one of the stakeholders, would also assume a
15 portion of these long-term costs too but not all. I
16 don't think TVA should fund the whole process, top to
17 bottom, all the way through, I disagree with that
18 wholeheartedly.

19 FACILITATOR DAVE WAHUS: Paul.

20 MR. PAUL TEAGUE: As most of you are
21 aware, the Federal Government now, anytime you ask
22 for a federal grant, it's very difficult to get a
23 federal grant from -- for a township. They start
24 talking about regional, regional airports, regional
25 this and regional that, they want us to combine. And

1 with this being not only -- this being a national
2 issue, I think it's appropriate we ask for some money
3 from them to help out also because this is not just
4 a, quote, provisional regular TVA problem.

5 MS. MILES MENNELL: You mean federal
6 appropriation?

7 DR. PAUL TEAGUE: (Moves head up and
8 down.)

9 MS. MILES MENNELL: I am so glad you
10 said it.

11 FACILITATOR DAVE WAHUS: Bruce.

12 MR. BRUCE SHUPP: Yeah, we come to
13 that conclusion a lot, but TVA comes back to us every
14 time is that we are not asking for federal
15 appropriations. We have gone through that.

16 Now, as far as a grant to a group that
17 would be going -- have a process going on, that's
18 something else, but an appropriation, I don't think
19 that's going to work, but down the road a grant from
20 EPA, a grant from, you know, whatever, that's a
21 potential, I think that has some potential.

22 Otherwise, I agree with Jimmy, that
23 TVA can -- this is not a big cost in the beginning,
24 they can host the initial meeting, and then once you
25 get a group operational, then you decide on how the

1 operational group is going to fund further efforts.
2 And if that becomes doing big public type meetings
3 that are going to go into hundreds of thousands of
4 dollars, then you start talking about funding
5 processes and whatever else. I don't think we have
6 to be that specific.

7 Yes, we think TVA should host the
8 first meeting. Yes, they should probably bear the
9 expenses, at least some of them. I don't think you
10 have to pay for travel for the people to come to the
11 meeting. You can be a good host, like you are for
12 us, and provide them the room and board or something,
13 but I don't think you have to pay their travel. They
14 are big boys. They are in the process of trying to
15 solve their problems, too. I think a cooperative
16 effort can go in that direction.

17 FACILITATOR DAVE WAHUS: Paul, did you
18 want to respond?

19 MR. PAUL TEAGUE: Once this commission
20 is formed, then we can ask for a grant, and I don't
21 see anything wrong with it.

22 MR. BRUCE SHUPP: Nope.

23 DR. PAUL TEAGUE: Because this is not
24 just a problem of this Valley.

25 MR. BRUCE SHUPP: You said grant

1 again, Paul, do you mean appropriation?

2 MR. PAUL TEAGUE: I don't care what
3 you call it as long as we get their money.

4 FACILITATOR DAVE WAHUS: There is a
5 difference between an appropriation and a grant, and
6 we need to understand the difference.

7 MR. PAUL TEAGUE: For example, they
8 are building an airport in our area. The only way
9 that we could get the grant or appropriation, or
10 whatever you call it, is Lexington had to join --
11 Henderson County had to join with Decatur County to
12 form one group, and as long as it's broad based then
13 they will still give money.

14 And I think this being a broad based,
15 multi state would give some input and they might turn
16 loose of a little money, not just -- maybe -- I don't
17 know how TVA feels about it. Give it to the
18 commission, if nothing else, once the commission is
19 formed.

20 FACILITATOR DAVE WAHUS: Steve.

21 DR. STEPHEN SMITH: One of the things
22 that I thought I heard was that there may have been
23 some lower level stuff that could be happening, and I
24 don't know if that can just be picked up with, you
25 know, operational, I mean, funds within TVA or some

1 of the other federal entities and the state groups or
2 does there need to be a new revenue stream identified
3 in order to do some of the base level types of
4 things?

5 MR. GREER TIDWELL: In other words,
6 how do you feel about more with less?

7 DR. STEPHEN SMITH: Well, I mean, I am
8 not necessarily advocating to that, but I am just
9 wondering whether, you know, given the -- I mean, is
10 there -- is there a need to -- should the council be
11 recommending that, you know, there be a larger
12 percentage of, you know, money directed to this
13 particular division of TVA to do this research, you
14 know, type of thing or are we hoping that USGS and
15 some of the states are going to pitch in? I mean, I
16 don't know.

17 You know, we're only talking about
18 funding the commission, and I am still not convinced
19 exactly what that is. If there are other things
20 going on, should we give a recommendation for that
21 funding level, not funding level but funding sources.

22 MR. BRUCE SHUPP: You're asking Kate
23 that question.

24 DR. STEPHEN SMITH: Well, I am asking
25 Kate if the ability to do that research is within

1 TVA, some of the things that you mentioned that may
2 need to happen in being able to dedicate staff
3 resources to engage, let's say, some other players to
4 try to coalesce that -- build some of the database
5 stuff and understanding, is that something that can
6 be brought into your budget as is or do you need new
7 revenue?

8 DR. KATE JACKSON: It would be
9 something that I would need to -- first of all, need
10 to define and figure out how much money it's going to
11 cost and what it is, and then determine what else I
12 would not do, because the requirements inside TVA for
13 all organizations are that we completely absorb
14 inflation and that our O&M budgets, that's labor
15 budgets, non-capital, non-construction money, goes
16 down every year to be able to pay off the debt.

17 So you-all need to be making some
18 decisions about -- now, some things like level of
19 effort, if we're going to have the water boy be
20 convening meetings, I mean, he's paid for. And so to
21 the extent that it is utilization of existing
22 databases or bringing together other people's
23 information and integrating it in a way that Gene can
24 do or doing some light R&D, you know, demonstration
25 of permeable parking lots, examination of land use

1 differences and the implication for stormwater
2 runoff, I mean, there are some things there that we
3 can find the money for, but establishment of a
4 commission that's like this council that runs like
5 the previous two-year round council, that is a lot of
6 money, and I doubt that our distributor customers,
7 nor TVA, would be willing to foot the bill for that.
8 It's a lot of money.

9 FACILITATOR DAVE WAHUS: Greer.

10 MR. GREER TIDWELL: When I work with
11 the plants around the countries for
12 Bridgestone/Firestone one of the things that we
13 always run into when there's a new project to take on
14 is who's going to pay for it. And sometimes we mix
15 and match funds and headquarters will pay for part of
16 it. Generally speaking, you don't get the kind of
17 buy into a process if the folks playing at the game
18 don't have to pay for their own ticket a little bit.

19 And, you know, there's a -- there's
20 another sort of mixed way we can look at this. I
21 mean, we want to get all the states at the table, but
22 perhaps another way to look at it is, we all think
23 TVA is such great leadership, they could do such a
24 good job of facilitating this, maybe it's -- you have
25 an opportunity to come be at this table and split the

1 costs among us.

2 TVA pay its 1/5th share and everybody
3 else pay the other 4/5th's or whatever, but if you
4 want to be a part of this process, Kentucky,
5 Tennessee, Virginia, Florida, everywhere else, you
6 have got to come and pay your way, and then you get
7 the benefit of having this expertise and leadership
8 applied to your water resource planning problem.

9 It's another way to look at it that might have some
10 real validity.

11 It gives TVA a little bit of a vote up
12 or a vote down in terms of taking on this role, but
13 if the vote's up for three or four or five states
14 even, it's a pretty worthwhile project, and you may
15 get better participation, better support, longer term
16 impact even if it doesn't cover all eight states.

17 MR. PHIL COMER: Seven.

18 MR. GREER TIDWELL: So there's another
19 way of approaching it.

20 MR. BRUCE SHUPP: That's exactly my
21 image of the beast. That's exactly my image of it.
22 It goes one step further. If you can't get them to
23 agree to pay a share of the cost to have a meeting,
24 how the hell are you ever going to get them to agree
25 to share water?

1 MR. GREER TIDWELL: Right.

2 MR. BRUCE SHUPP: So, I mean, it just
3 makes sense. If the thing breaks down financially
4 because you can't agree to who's going to pay for the
5 conference or the -- to meet three times a year, bag
6 the thing, walk away from it, it ain't going to work,
7 and let's go do something else.

8 MR. GREER TIDWELL: Yeah, if that's
9 not going to work, then let's wait for Washington,
10 D.C. to tell us what to do.

11 MR. BRUCE SHUPP: That's exactly --
12 and that's your options, but that's -- that's the
13 real world, I mean, that's where you're at, and I
14 think those are the kind of things you talk about at
15 that meeting. Hey, if you want to walk away from it,
16 there's a plan. Somebody is going to come up with a
17 plan for what to do with your water.

18 MR. GREER TIDWELL: Pay to play.

19 FACILITATOR DAVE WAHUS: Paul.

20 DR. PAUL TEAGUE: I don't think they
21 will pay when you're cutting the University of
22 Tennessee 9 percent, and No. 2 is, you don't miss the
23 water until the well runs dry. The well is not dry
24 as far as they see. We realize that the well is
25 going to run dry, but it ain't happened on my shift

1 yet. And I still think -- I don't know how TVA feels
2 about it, see if the Federal Government will help us
3 some.

4 FACILITATOR DAVE WAHUS: Jackie.

5 MS. JACKIE SHELTON: I agree with
6 Paul. Now, I live in a very poverty stricken area
7 Southwestern Virginia, and there's grant money
8 available when you talk about water, it's available,
9 it's there because we're always getting grants. It
10 amazes me where it comes from, but it's about water.

11 So I don't know if someone is familiar
12 with writing grants. You need someone that really
13 knows the ins and outs of doing this, but I think
14 what would be worth pursuing is to start the -- a
15 grant, because I can't think of anything any more
16 worthwhile than what -- the topic we're dealing with.
17 So we certainly wouldn't lose anything by trying for
18 a grant.

19 FACILITATOR DAVE WAHUS: Bruce.

20 MR. BRUCE SHUPP: Tom, could you share
21 your views on how the states would view that, cost
22 sharing? Personal views, not official Alabama views,
23 just personal views.

24 MR. PHIL COMER: But you're being
25 recorded.

1 FACILITATOR DAVE WAHUS: You are on
2 the record.

3 MR. PAUL TEAGUE: Hey, Tom, you're
4 being recorded.

5 MR. TOM LITTLEPAGE: Well, I think
6 Paul is probably correct in the sense that until you
7 use Gene's vernacular, until this thing hits the
8 radar screens, given all the other priorities and
9 problems the states are going to face it's going to
10 be hard to come up with, especially if we come up
11 with some huge price tag, you know, come up with a
12 few thousand dollars to start this out, that's
13 probably not a big deal, but if you come up with some
14 grandiose, formalized rigid structure, I think you're
15 going to scare a lot of states off from both the
16 financial standpoint and a policy solvency issue. So
17 I think you just need to be real careful in how you
18 craft this.

19 I like to think that one of the best
20 ways y'all can help is to take on the role as a
21 facilitator just to offer -- we see problems coming
22 and we want to provide a forum to begin the dialogue,
23 to think -- you know, the word commission really
24 scares me, I will be honest with you.

25 As we went through the Interstate

1 Compact, the negotiations that went on with that,
2 there was a very strong reluctance in terms of giving
3 up any level of control, especially with regards to
4 water. So the federal role in that Interstate
5 Compact is a very minimal role with providing
6 technical support and expertise.

7 And somebody mentioned EPA, you know,
8 EPA, with Jimmy Palmer, the Region IV, you know,
9 there is a strong sense that they are out to be a
10 service agency. They don't want to take over, at
11 least from what I am hearing, is he's not out to turn
12 that agency into a controlled telling the states what
13 to do. He wants to work to facilitate helping to
14 support states' decisions. The more states can work
15 cooperatively together, I think the more they can
16 leverage political and financial resources in
17 Washington to get support of what they need.

18 I think what Washington or the Federal
19 Government is going to be very reluctant to do is to
20 go fund Alabama to do something or go fund Tennessee
21 to do something a little or go fund Georgia to do
22 something different. One of advantages of a
23 Tennessee -- of a TVA kind of -- the power
24 representation of TVA is to go forward and say, we
25 can help facilitate to unify a voice, go to the

1 Federal Government and establish a very proactive
2 approach to some of the southeastern states water
3 problems that we perceive, and I think the Federal
4 Government would be amenable to doing it, let's pay a
5 little money up front to avoid a much more expensive
6 price tag later if we do nothing, that kind of
7 approach.

8 FACILITATOR DAVE WAHUS: Jackie, did
9 you have another comment?

10 MS. JACKIE SHELTON: I just agree.

11 FACILITATOR DAVE WAHUS: Okay. Paul.

12 MR. PAUL TEAGUE: I would like to ask,
13 Tom, do you think there's any way we could sell them
14 on the idea that a little bit of help here might
15 prevent, because if we don't, the Federal Government
16 is going to definitely act on this. If we don't do
17 it first, they eventually will.

18 MR. TOM LITTLEPAGE: Well, I'm not --
19 there's some real legal implications when you say act
20 on this. I mean, I would make an argument about
21 their water, it's not their water. So now when you
22 get into water quality violations or endangered
23 species, when you get to the point of where you're
24 violating federal law standards, then obviously they
25 are going to act on that and try to take a stand.

1 Before you get to that point, the states are going to
2 take a real issue. Alabama would have a real
3 problem, I think, in trying to let the Federal
4 Government dictate how water would be used in our
5 state.

6 MR. PAUL TEAGUE: That's my point.
7 Could we use that to say, hey, let's beat them to the
8 punch on it?

9 MR. TOM LITTLEPAGE: Yes. I think the
10 more you could do that cooperatively, you know,
11 coming together -- you know, part of what we're
12 looking for in this Interstate Compact is some
13 federal support to help with the infrastructure, with
14 gauging and cooperative monitoring, and that kind of
15 stuff in conjunction with federal agencies, USGS, and
16 others to help with that, with the idea of avoiding
17 long-term problems.

18 FACILITATOR DAVE WAHUS: Ed, did you
19 have a comment? Other comments?

20 I have heard the word council used. I
21 have heard the word commission used. TVA has, in
22 their preamble to the questions, talked about the
23 establishment of a watershed-wide partnership. I
24 think I am hearing those terms commission, council,
25 and partnership used interchangeably, but I think we

1 just heard from Tom that it's important to be
2 specific. So you need to decide whether you're
3 talking about a partnership, a commission or a
4 council in terms of your thoughts in the things you
5 want TVA to consider.

6 MR. BRUCE SHUPP: To go back to my
7 previous comment, I'm not talking about any of them.
8 I want to get -- have the TVA get together the proper
9 stakeholders in this process and then discuss where
10 they want to go. I want them to hear the Tom
11 Littlepage's comments and other states' comments and
12 then decide whether they want to have an alliance --
13 an informal alliance, a committee, a task force,
14 whatever they want to call it. If they want to work
15 toward a Compact down the road, fine, but I don't
16 think we should say that at this point. We don't
17 know enough to say that at this point.

18 MR. PHIL COMER: Bruce, would you
19 agree that the first meeting could be just be
20 advertised or solicited as a brainstorming
21 conference? Tom, would -- that certainly doesn't
22 have the connotation of a commission.

23 MR. BRUCE SHUPP: Exactly.

24 MR. PHIL COMER: Then let them decide
25 what's most sellable to their respective venues.

1 MR. BRUCE SHUPP: You know, it may
2 turn out that you invite seven states and five of
3 them say, this doesn't really interest us and the
4 idea is finished.

5 FACILITATOR DAVE WAHUS: Any further
6 discussion on how such a partnership and its
7 activities be funded?

8 MR. PHIL COMER: Well, there's always
9 the lottery.

10 MR. BRUCE SHUPP: We lost a governor
11 because of that idea. I mean, I don't think it's
12 going to fly.

13 FACILITATOR DAVE WAHUS: Any other
14 thoughts?

15 MS. LAURA DUNCAN: I got that one.

16 FACILITATOR DAVE WAHUS: You got the
17 lottery, okay.

18 Mr. Chairman, I think we have
19 discussed to the point that we can right now this
20 last question. We have the option now of -- your
21 call as to whether you want to start back at No. 1
22 and start in summarizing them and come to some
23 conclusions or whether you wish to take another
24 direction.

25 MR. BRUCE SHUPP: I think, No. 1,

1 lunch is ready. I think we're ready for a break.
2 No. 2, our official public comment period is not
3 over, but there's nobody here except Mr. Robinson who
4 has spoke. I think we can adjourn 30 minutes early
5 of the official period. If anybody shows up, they
6 will speak later. With that, I suggest we adjourn
7 and come back at 12:30 and wrap up the exercise.

8 FACILITATOR DAVE WAHUS: I see no one
9 objecting, sir.

10 (Lunch recess.)

11 MR. BRUCE SHUPP: Okay. If the
12 afternoon session would come to order. If you recall
13 that we broke for lunch in sort of the middle of the
14 public comment session because there was nobody here,
15 and while we were eating a gentleman from Knoxville
16 came in and registered to speak.

17 So I am happy to introduce Mr. David
18 Orr from Knoxville who will speak to us today about
19 his concerns about power supply and river management.

20 David, if you could make your comments
21 in about ten minutes or less, we would appreciate it.

22 MR. DAVID ORR: Thank you. Well, I
23 hope that I can say what I have to say in a lot less
24 than ten minutes.

25 My name is David Orr. I am a resident

1 of Knoxville. I am also a member of the Sierra Club,
2 Tennessee Chapter, and a member of the Chapter's TVA
3 committee. I am here today to share a few concerns
4 with you and hope that our concerns could be
5 forwarded to the TVA board.

6 First off, there's -- I want to talk
7 about a number of substantive issues, but first off I
8 would like to raise a procedural matter in question,
9 and that has to do with the constitution of this
10 council.

11 Under the Charter of the Regional
12 Stewardship Council it says that the TVA board shall
13 ensure that the membership of the council is balanced
14 and that it represents and includes a broad range of
15 diverse views and interests and lists a number of
16 those, including environmental. It goes on to say
17 that TVA will appoint up to four additional members
18 to ensure a balanced representation of a broad range
19 of views.

20 I just want to observe that having
21 looked at the list of members of this council, it
22 appears that there's only one person representing
23 environmental interests on the council, and if
24 that -- if that is, in fact, the case, then -- and
25 that is Dr. Steve Smith, who I see is not present.

1 MS. JULIE HARDIN: I am also one.

2 MR. PHIL COMER: I am also one.

3 MR. DAVID ORR: All right.

4 MS. JULIE HARDIN: There are several.

5 MR. DAVID ORR: Well, sorry. There's
6 nothing on the web site that identifies what
7 environmental organizations you folks are affiliated
8 with. So it would be very helpful to me to be able
9 to report back to the Sierra Club, you know, who it
10 is that does represent --

11 MR. PHIL COMER: The Isaac Walton
12 League, are you familiar with the Isaac Walton
13 League?

14 MR. DAVID ORR: Yes.

15 MR. PHIL COMER: I represent the Isaac
16 Walton League.

17 MR. ED WILLIAMS: There's a bio on
18 each of us on the web site.

19 MR. DAVID ORR: Okay.

20 MS. JULIE HARDIN: Are you familiar
21 with the Foot Hills Land Conservancy?

22 MR. DAVID ORR: Yes.

23 MS. JULIE HARDIN: Okay. That's me.

24 MR. PAUL TEAGUE: That's Ms. Snail
25 Darter over there.

1 MS. JULIE HARDIN: Ms. Snail Darter.

2 MR. DAVID ORR: Oh?

3 MS. JULIE HARDIN: Yeah.

4 MR. ED WILLIAMS: Isaac Walton is
5 going to catch her.

6 MS. JULIE HARDIN: Of course, I lost
7 the fight, but nonetheless, I put it up. I
8 appreciate your concern.

9 MR. DAVID ORR: I am glad to meet you
10 and I'm very gratified to learn that --

11 MR. PAUL TEAGUE: And ill informed.

12 MR. DAVID ORR: -- there's better
13 representation. So let me move on to the substantive
14 issues that I want to raise with you today, and I am
15 just going to quickly go down a list here.

16 First off, I want to mention rivers
17 and river management. It's not clear to me the
18 extent to which TVA is doing anything to promote
19 river ecosystem restoration. And I am sure, as you
20 all know, TVA has had a very active role in causing
21 some, you know, major changes to the rivers of the
22 Tennessee Valley. It would be very helpful if we had
23 at least some information put out that could really
24 document what TVA is doing in this area.

25 Secondly, regarding flood control,

1 it's in the news today that they are estimating
2 \$17 million worth of flood damage in Chattanooga, and
3 what's been presented in the news media over the last
4 couple of days is that TVA has basically been
5 powerless to prevent this and I -- but I think that
6 it's really important to raise the question, is that
7 really true?

8 What is it that hasn't happened to
9 enable TVA to provide enough flood storage capacity
10 in its reservoirs?

11 And as far as downstream agencies are
12 concerned, what are -- what more could they be doing
13 to help TVA prevent these damages from occurring?

14 This is, you know, of course, a huge
15 flood, and I'm not here to point the finger at
16 anybody. I think that everybody is doing their job,
17 but it really does point out the tough situation that
18 TVA is in in trying to balance all of these different
19 missions, whether it be flood control or recreational
20 usage of the reservoirs, and so forth, that I am sure
21 you're all familiar with.

22 In terms of how do we address flood
23 control, it's something that I think really deserves
24 a much broader and a more in-depth public discussion
25 than what has been initially forthcoming through the

1 media over the last couple of days. I think that the
2 public really deserves to know that flood control on
3 a reservoir and dammed control river system is
4 essentially beholdng to management priorities and
5 not so much to nature and acts of God.

6 Regarding power supply, there's a real
7 serious concern amongst many in the environmental
8 community that TVA has really shown a lack of
9 commitment to developing and implementing minimally
10 polluting, environmentally friendly power generation
11 sources, especially solar. There's a Green Power
12 Project, but unfortunately, this requires people to
13 pay extra.

14 Why is that? Why do -- why does TVA
15 not lead the way into developing Green Power
16 generation that is part of the rate base?

17 Why do you require people to have to
18 pay extra?

19 That's a guaranteed -- that's a
20 guaranteed failure plan over the long-term to really
21 bring about significant change in the overall mix of
22 power generation sources. The rate structure does
23 not really go far enough towards encouraging
24 conservation and efficiency, and, you know,
25 aggressive implementation of demand management

1 strategies.

2 We have got -- as I understand it,
3 last summer was record power usage in this region.
4 What's TVA doing to try to manage those peak demands?

5 At the very same time TVA is actively
6 promoting industrial development and advertising
7 keeping rates low to, theoretically anyway, encourage
8 more power usage. So you have got some conflicts
9 there that I think really need to be addressed and
10 resolved. TVA in the past has been -- has shown some
11 leadership in conservation and renewables and
12 efficiency, let's bring that back, please.

13 Finally, in the power category TVA has
14 a long history of promoting unsustainable and
15 dangerous generation sources that threaten public
16 health and safety even more so today with the advent
17 of the terrorism threat, and I am speaking
18 specifically of nuclear power plants and coal-fired
19 power plants. TVA ought to be a leader in working to
20 try to find out ways of eliminating the nuclear waste
21 problem. We have DOE, of course, right down the
22 road. It would be good to know that TVA is showing
23 some leadership in trying to address that problem.

24 Finally, on that -- regarding nuclear
25 power, TVA is supporting the tritium production at

1 Watts Bar, which is -- has been a matter of public
2 concern for many years that TVA is actually aiding in
3 the proliferation of nuclear weapons technology.
4 That's not environmentally sound practice.

5 On environmental stewardship, TVA has
6 a legacy of environmentally damaging power generation
7 and that -- and that extends beyond bad air quality
8 and accumulating nuclear -- spent nuclear fuel rides,
9 and it goes to the coal stripped mines that are found
10 across this region, abandoned mines that we can't in
11 Tennessee even get funding to clean up, even though
12 that money is being paid into an abandoned mine
13 reclamation fund.

14 What's TVA doing to clean up its
15 off-site impacts that result from the mining of coal?

16 What's TVA doing to clean up the
17 off-site impacts of its nuclear power program?

18 I used to live in Moab, Utah, which is
19 the site of the largest unreclaimed uranium mill in
20 the United States. It's leaching 88,000 gallons of
21 radioactive ammonia into the Colorado River every
22 day. I don't know that any of the Moab uranium ever
23 found its way to a TVA reactor, but certainly
24 wherever TVA's nuclear fuel comes from, there are and
25 have been very significant environmental impacts.

1 You-all know that we have the worst
2 air quality in the United States outside of major
3 metropolitan areas, and, you know, it's good to know
4 that TVA is spending a million dollars a day to
5 reduce the air emissions at the coal plant. We need
6 to do better than that. We can do a lot better than
7 that, and it's going to cost more money.

8 Is TVA willing to spend more than a
9 million dollars a day to get -- to make up for the
10 extensive harm that its -- and impacts that its
11 plants have been generating?

12 Finally, I will talk about land
13 development. As you know, the Rarity Point land swap
14 that's proposed with the developer Mr. Ross, it's
15 been in the news a lot lately, it's a concern that
16 TVA may be in violation of its Charter if -- and of
17 the public trust if it continues to support
18 developments that turn land that is supposed to be
19 held in the public trust, turns those over for
20 development projects that are used for private
21 development, private benefit, and private gain.

22 So I would ask you to, please, share
23 with the TVA board the concern that we -- to the
24 extent that TVA is a steward of lands and other
25 natural resources, we think TVA can do a lot better,

1 and we look forward to helping provide input to how
2 that can be brought about.

3 I thank you for your time.

4 FACILITATOR DAVE WAHUS: You might
5 want to wait just a minute.

6 MR. BRUCE SHUPP: Thank you, Mr. Orr
7 for your comments. They are on the record.

8 Are there any comments or questions
9 from the council?

10 Stephen.

11 DR. STEPHEN SMITH: I appreciate your
12 comments, David. I wanted to ask Kate a question
13 maybe just to update us from the last council meeting
14 we had where we were talking about some of the public
15 land issues.

16 Can you update us about where TVA is
17 on -- because I have been contacted by a number of
18 other folks that I would consider sort of
19 constituents, for lack of a better term, about where
20 we are on that. The Rarity Bay thing, I have heard
21 that the Little Cedar Mountain thing in Marion
22 County, that they are going to ask for an opportunity
23 to develop again, and there's all these other things.

24 What's sort of the latest thinking
25 right now on some of that?

1 There was going to be a land swap, but
2 there was some concern that the land swap -- you
3 know, the contiguous riparian land there was going to
4 be swapped for -- this is what I am just hearing, for
5 land that may be sort of identified somewhere else,
6 and technically, it's land but it may not be nearly
7 as valuable land. So is it really on par with the
8 swap? I am just sort of curious where we're going.

9 DR. KATE JACKSON: There were about
10 eight questions in there. So let me just try to walk
11 through them.

12 The first is the results from the last
13 council meeting, we communicated those to the board
14 on a couple of different occasions, and now what I am
15 doing is working on kind of documenting, so the board
16 can understand if we were to move forward with some
17 of those pieces of advice, what the implications are.

18 For example, the ones that you
19 recommended on review the reservoir lands every five
20 to seven years, do a new plan, what the implications
21 are for the cost of that, how that would -- you know,
22 is there enough development pressure on some of those
23 reservoirs to actually warrant that. The
24 recommendation on how the life for that reservoir
25 plan, we want to make sure that the board has a very

1 clear understanding of what that means.

2 With respect to things like Rarity and
3 Little Cedar Mountain and what additional constraints
4 that would place on the board's flexibility to be
5 able to contemplate, you know, movement on either
6 more conservation opportunities or development
7 opportunities so that they are very clear, because
8 these are really complex issues, as you-all
9 appreciate. So we're working on that. So I don't
10 have a, here's what we're going to do, because some
11 of those are really hard.

12 MR. BRUCE SHUPP: We need to move
13 along. Any --

14 DR. STEPHEN SMITH: Wait. Wait.
15 Bruce, there's a couple of questions that I would
16 like to get answered.

17 MR. BRUCE SHUPP: We're taking up this
18 man's time at the box. We're talking to ourselves
19 now, and I would like to be able to dismiss Mr. Orr
20 and let him get on.

21 Is there any more questions for him
22 before we begin this discussion?

23 DR. STEPHEN SMITH: Well, I
24 understood, and David, tell me if you're pressed for
25 time, but I understood that one of the things David

1 was interested in understanding was a little bit
2 about some of the public lands.

3 MR. BRUCE SHUPP: I understand,
4 Stephen, but he doesn't have to stand up there to
5 hear. He can stay here and enjoy the discussion, but
6 I just want to relieve him of the floor right now.

7 Is there any more discussions or
8 questions for Mr. Orr?

9 MS. JULIE HARDIN: I just want to say
10 that I agree with you completely in terms of public
11 land development, and that is really not sacred to
12 the TVA mission who took those lands from farmers and
13 from families, and I am glad to hear you bring that
14 to our attention, not that it's not always there for
15 some of us.

16 MR. BRUCE SHUPP: Any more?

17 MS. JULIE HARDIN: I want to go back
18 to the air quality, two, three years ago now I
19 brought that up as my big mission on this council and
20 was told that, in fact, this council would not deal
21 with the air quality, that was being taken care of by
22 TVA. So that is not on our table. I am very sorry
23 about that.

24 MR. DAVID ORR: Mr. Chairman, if I
25 just might respond very briefly to that comment. It

1 seems to me that as a FICA committee that this
2 stewardship council should have on its agenda
3 whatever the public wants to have on the agenda and
4 that the role of this committee is to bring public
5 concerns to the board and to relevant federal
6 agencies. So I am frankly astonished to hear what
7 you're saying and I think that -- I would ask that
8 this council propose a resolution to the board that
9 air quality, you know, be elevated as a level of
10 concern.

11 MS. JULIE HARDIN: Well, my
12 constituents agree with you completely, people who
13 are calling me at home.

14 MR. BRUCE SHUPP: I think to respond
15 to that FICA thing, FICA councils can be established
16 for different charter reasons. I am on two of them.
17 This is just one of them. Both are very specific on
18 what they do. So we don't have to cover every aspect
19 of it, and there's a good reason why this council is
20 not doing air. So that's a response to that.

21 Does anybody else have any more
22 comments?

23 All right. You're excused. Thank you
24 very much.

25 Now you can resume your comments.

1 DR. KATE JACKSON: The next question
2 is the Rarity Point issue. The way we examined
3 the -- looking at a land exchange to try to provide
4 opportunities for mitigation through that
5 environmental impact statement process was exactly
6 what you said, which is to examine the value with
7 respect to ecosystem value, and that's not in dollar
8 value. We do realize there's a lot of -- you could
9 argue with assumptions, the value of protecting a
10 different area, having better public access for
11 recreation, is that something that should be an
12 alternative in the EIS. And it is and the public is
13 in the process of commenting on that. We do not yet
14 have a recommended decision, but it's coming shortly.

15 So exactly what you said should be
16 taken into consideration is not providing that piece
17 of land as an alternative, shrinking that development
18 as an alternative. Clearly, Mr. Ross can develop a
19 vary large portion of that with no action from us
20 whatsoever. So there are two separate actions going
21 on. One is a 26(A) permit, the other is this land
22 deal that includes the analysis of both that and not
23 doing anything and swapping.

24 The issue of Little Cedar Mountain, we
25 are not pursuing that. That was originally started

1 by us many years ago. Marion County very much wants
2 to get more land in its tax base. They may or may
3 not submit an application. To date they haven't.
4 There is talk that they might.

5 And the issue there will be should we
6 say a categorical no or should we look because we
7 have multipurpose -- we are not the National Park
8 Service. Should we look at these multipurposes and
9 say we will deal with this on a case-by-case basis,
10 we are responsible for use, conservation, and
11 development of lands for those multiple benefits? So
12 we may say no, we may take it and examine it as we
13 have with Rarity Point.

14 I think I covered them all.

15 DR. STEPHEN SMITH: That's helpful. I
16 just wanted to sort of get a sense of where some of
17 those processes were because I think that the
18 comments from the speaker, you know, were indicating
19 an ongoing concern, and I -- you know, for David's
20 benefit there was a discussion with this council, I
21 guess it's been what, about three or four months ago,
22 about some of the public land issues.

23 I personally wasn't comfortable with
24 all the things we ended up with, but that's, you
25 know, part of -- I missed your earlier comments, but,

1 you know, there's a lot of different interests here
2 at the table.

3 MR. BRUCE SHUPP: Okay. Greer.

4 MR. GREER TIDWELL: I am concerned to
5 hear from David. I think I understood you're on a
6 TVA subcommittee this year. You know, I get a lot of
7 mail from TVA, and a lot of it deals with their
8 ecosystem protections and some of their efforts and
9 things. I don't know if it makes sense to have
10 Bridgette just kind of run through a laundry list of
11 their communication efforts. Somebody from Knoxville
12 is not getting that or not able to get it. There's a
13 real concern -- maybe you're saying what you're
14 getting is not revealing the kind of information you
15 want to hear.

16 MR. BRUCE SHUPP: I would add to that
17 that you're not misinformed, you're ill-informed for
18 some reason, and there's a lot of good TVA staff here
19 that you can connect with and give an address and
20 pick up a lot of information that would help you make
21 more specific comments on things that you were
22 criticizing. You were off mark on some of them. And
23 again, it's not misinformed, ill-informed, you don't
24 have enough information.

25 I would suggest very much that if

1 Sandy is here, Sandy, you could take his name and we
2 could mail him a lot of things and give him the web
3 site address so he can be sure to find out what the
4 council is doing, who's on the council, who they
5 represent. There's a lot of information you could
6 have had before you came here today that you probably
7 weren't aware existed. So we will be glad to help
8 you get that.

9 MR. DAVID ORR: Thank you.

10 FACILITATOR DAVE WAHUS: Phil.

11 MR. PHIL COMER: I would just like to
12 comment that I think we have gotten way off the
13 agenda, and in all the prior meetings when we had
14 people come during the public comment period we have
15 never taken this much time to elaborate and continue
16 discussing this. Some of us have long drives to go
17 home this afternoon. So can we get back to the
18 agenda now?

19 MR. BRUCE SHUPP: We appreciate that.

20 MR. PHIL COMER: We have spent more
21 than enough time.

22 MR. BRUCE SHUPP: We are giving our
23 members a chance to comment.

24 MR. PHIL COMER: Completely off the
25 subject of the agenda.

1 MR. BRUCE SHUPP: Are we ready to go?

2 Let's get back to the agenda. David.

3 FACILITATOR DAVE WAHUS: Each of you
4 have in front of you a paper copy of what was on the
5 screen this morning, what comments you made in
6 response to the six questions.

7 What I would like to do now, if you
8 concur, we're going to start with each question in
9 turn and I am going to first ask you if there's
10 anything you wish to add, any items that you wish to
11 add to the question or to the response to the
12 question, and then we will -- we're going to become a
13 little bit more pointed and try to focus -- draw some
14 conclusions or focus in on a few items that you want
15 to put at the head for TVA to consider.

16 So initially -- first, who
17 specifically should be invited to participate in a
18 watershed-wide partnership?

19 Before I ask if there are any other
20 items, if you will look at the fourth item down, it
21 says seven states water quality departments. Is
22 water quality the right term? The word quality, is
23 that the right term or should it be quantity?

24 MR. PHIL COMER: Quantity.

25 FACILITATOR DAVE WAHUS: Would you

1 mind changing that? It's already done. Thank you.

2 Are there any -- any other corrections
3 to the responses that we captured? And keeping in
4 mind that we just captured some phrases, we didn't
5 capture -- on the screen we didn't capture your whole
6 phrase, that's in the record.

7 Is there anything that needs to be
8 corrected or any additions? You have a piece of
9 paper in front of you. You can look at that if you
10 can't see the entire thing on the screen.

11 Is there any additions?

12 I am not going to read the laundry
13 list. Okay. Then I am going to ask you, of these --
14 of these organizations that you have identified here,
15 who should TVA invite initially?

16 Who would they invite initially to
17 whatever activity or meeting or conference or
18 whatever it is that they do? Who would they invite
19 initially to be part of this partnership, recognizing
20 that the first time around they probably can't invite
21 them all. So who should they be inviting initially?

22 MR. JIMMY BARNETT: I think the seven
23 state water quantity --

24 FACILITATOR DAVE WAHUS: Item No. 4,
25 seven state water quantity departments.

1 MR. GREER TIDWELL: Shouldn't that be
2 supply? I don't know if anybody calls it a quantity
3 department.

4 FACILITATOR DAVE WAHUS: Okay. We can
5 change that to water supply department.

6 MR. BRUCE SHUPP: Or just water
7 agencies would probably do the job.

8 MR. TOM LITTLEPAGE: Water resources.

9 DR. STEPHEN SMITH: Is USGS on here?

10 FACILITATOR DAVE WAHUS: USGS is not
11 on that list. Let's put USGS on the bottom.

12 DR. STEPHEN SMITH: They should be
13 initially invited. I mean, I am working off the
14 assumption that -- as I have reflected on this more
15 and more, I am working on the assumption -- I guess
16 as we dig into it later on I will reiterate this,
17 that I don't think we're looking at some grand blue
18 ribbon commission or council.

19 My sense is that the recommendation
20 ought to be that TVA and some of the knowledgeable
21 institutions get together at a much lower level and
22 have some initial conversations, and the partnership
23 is a much less sophisticated thing than I think we
24 have kind of blown this thing up to, that's what I am
25 going to advocate for.

1 FACILITATOR DAVE WAHUS: Which of
2 these organizations, other than the two identified,
3 are the knowledgeable organizations that should be
4 initially part of this partnership?

5 MR. BRUCE SHUPP: I think EPA
6 probably.

7 FACILITATOR DAVE WAHUS: I am hearing
8 EPA. I am not seeing any disagreement.

9 DR. STEPHEN SMITH: I think, you know,
10 potentially Fish and Wildlife because there's
11 probably some flow issues and other things from a
12 biological point of view that need to be highlighted.

13 FACILITATOR DAVE WAHUS: Fish and
14 Wildlife.

15 DR. STEPHEN SMITH: And I am sure the
16 Army Corps just because of some of the things there.

17 MR. BRUCE SHUPP: Steve, I think when
18 you start bringing in Fish and Wildlife, then you
19 start getting into the state game and fish agencies.
20 I think you should back off of that at this point.

21 I think the water resource people
22 should be the people involved, and I don't think Fish
23 and Wildlife fits at that stage, because as soon as
24 you start talking Fish and Wildlife then all the
25 state agencies have to come in. So I think the first

1 meeting should be focused on water, just water.

2 DR. STEPHEN SMITH: Well, help me
3 understand this and I may not disagree with you, but
4 the question is -- and maybe the folks from the state
5 can answer this. I want to make sure that there is a
6 constituency there that is speaking for -- for the
7 lack of a better term, the non-human needs of the
8 watershed, because I think -- I think a lot of the
9 state guys, first and foremost, is sort of human and
10 public health No. 1 objective for water, but I think
11 there is also critical water issues associated with
12 the non-human species, and I just want to make sure
13 there's a voice at that table.

14 I am using Fish and Wildlife as a
15 proxy there to make sure that the -- that's being
16 done. And, you know, maybe the folks at the state
17 water are equally interested and are thinking for
18 that, but if they are not, then I would want to make
19 sure there is a voice there that represents that.

20 MR. BRUCE SHUPP: Eventually that
21 voice will have to be there, but I think for the
22 initial meetings when they are planning water supply
23 issues, I think they can do that without having the
24 conservation community and natural resource community
25 in with that.

1 MR. PHIL COMER: I agree.

2 MR. BRUCE SHUPP: I don't think it
3 would be necessary.

4 FACILITATOR DAVE WAHUS: We're
5 talking -- as we have this initial meeting, we're
6 taking about, I think, the initial development of the
7 partnership and trying to get it off the ground.

8 MR. BRUCE SHUPP: The concept.

9 FACILITATOR DAVE WAHUS: The concept.
10 All of these should be on there eventually. It's the
11 timing that is critical at this point. I saw about
12 three people concur with Bruce's comment, but I am
13 not trying to make the decision. I am just trying to
14 facilitate this discussion.

15 Paul.

16 MR. PAUL TEAGUE: There's 14 up there.
17 You add seven water resources, seven governments,
18 including local representatives, you're going to keep
19 adding and the committee is going to be higher than
20 my golf handicap, which is extreme, and I agree with
21 Bruce that -- to start this off we don't need all of
22 this esoteric added to it.

23 First of all, they have got to be sure
24 that they can get together, form a group to work in,
25 then add the same way we started the commission two

1 years ago and added these extra people supplementary
2 to our committees. You have got to get those people,
3 first of all, to see, are we going to do it.

4 And with our recommendations, the way
5 I summarize it is, TVA should probably put the first
6 foot the first meeting, and if the states are not --
7 don't want to help out, if we can't get any federal
8 money, it is unfair for the ratepayers to pay for the
9 whole shooting match. Get together with your state
10 people and see if we can get it going, and if so,
11 then add these extra ones.

12 FACILITATOR DAVE WAHUS: Any other
13 comments? Any other additions?

14 Miles.

15 MS. MILES MENNELL: Maybe, in fact, I
16 think what I am hearing you say is that TVA just
17 needs to meet with the seven state representatives in
18 the initial meeting, is that what you're saying?

19 MR. PAUL TEAGUE: Essentially that's
20 what I am saying.

21 MS. MILES MENNELL: And just limit it
22 to that --

23 MR. PAUL TEAGUE: To start with.

24 MS. MILES MENNELL: -- for the initial
25 concept conversation?

1 MR. PAUL TEAGUE: Because I don't
2 think it should be a goal with TVA only.

3 MS. MILES MENNELL: With that initial
4 concept, how are we going to go about getting this
5 into place? You're saying meet with the
6 representatives from the seven states?

7 MR. PAUL TEAGUE: Call it the blue
8 ribbon group.

9 MS. MILES MENNELL: Led by TVA.

10 MR. PAUL TEAGUE: And then add these
11 others later.

12 FACILITATOR DAVE WAHUS: W. C.

13 MR. W. C. NELSON: Just a quick
14 thought. Would you consider maybe doing it with just
15 Tennessee and Alabama since that's where probably 90
16 percent of the use of the water is going to be
17 because --

18 MS. MILES MENNELL: Mississippi would
19 probably take exception to that.

20 MR. W. C. NELSON: Well, possibly. I
21 hadn't thought of Mississippi.

22 MS. MILES MENNELL: And Kentucky.

23 MS. JULIE HARDIN: Georgia.

24 MR. W. C. NELSON: Well, you're
25 talking about quantity of water. Neither -- Georgia,

1 you know, doesn't have much need for the water in the
2 watershed, there's very little -- there's a few
3 municipalities that pull water out of it, but I'm
4 just thinking of starting as a smaller group. You
5 have got two states and TVA and --

6 MS. MILES MENNELL: But it would seem
7 to me -- I understand what you're saying, but it
8 would seem to me that if our ultimate goal is to get
9 to the point where we're modeling, we're trying to
10 discuss a water -- a strategic plan for the southeast
11 overall, that we need to start out with all of those
12 players to begin with just to give them ownership in
13 the process from the very beginning.

14 MR. W. C. NELSON: But a smaller group
15 may come up with some ideas to see how to proceed.

16 MS. MILES MENNELL: I know. Still, if
17 you're going to talk specifically about those seven
18 states, I don't think it's fair to start without
19 having their involvement from the beginning, that's
20 just my opinion.

21 MR. W. C. NELSON: Well, if you say
22 it's for the whole area, then why not get more, you
23 know, states?

24 MS. MILES MENNELL: Under TVA's
25 leadership I think one of the issues is TVA, in fact,

1 represents or has seven states within its service or
2 watershed regions. So I think we need to begin -- I
3 mean, it only makes sense to limit it to the seven
4 states where TVA is, and then you can always expand
5 from there.

6 FACILITATOR DAVE WAHUS: Steve.

7 DR. STEPHEN SMITH: I was just going
8 to -- again, I am still a little fuzzed out on
9 exactly what the objective is here with what we want
10 this group to do, but if it's basically to -- I mean,
11 because I heard that maybe the most realistic thing
12 to do is to just try to get the group together to try
13 to identify some common information gaps and try to
14 fill those things in and just get some baseline stuff
15 going and not try to make it into something
16 grandiose.

17 MS. MILES MENNELL: I think that's
18 what we're all saying or that's what I am saying.

19 MR. BRUCE SHUPP: Let's move on to a
20 vote. I call for a vote.

21 FACILITATOR DAVE WAHUS: Right now we
22 have the USGS, TVA, and the seven state water
23 resource agencies should be involved initially.

24 MS. MILES MENNELL: I thought we were
25 just -- wait, are we saying that or are we just

1 saying the seven water -- the seven states in TVA
2 just for that initial let's get going?

3 FACILITATOR DAVE WAHUS: We have
4 identified EPA, USGS, and the seven states. Those
5 have been identified so far. If you want to take
6 some of those off, that's fine, but let's find out --
7 I want to find out -- those are, through the
8 discussions as we started here, the ones that have
9 been identified to participate initially.

10 There have been discussions that it
11 shouldn't be that far, but I would like to hear
12 the -- so we can go to the thumbs up or thumbs down,
13 but should EPA be part of it? Up or down?

14 Come on, folks. Everybody gets to
15 vote. Make a decision.

16 One, two, three, four, five up.

17 One, two, three, four down.

18 So EPA is on the list.

19 USGS, should they be part of this
20 initial contact? Up or down?

21 DR. STEPHEN SMITH: I think they know
22 what the groundwater is.

23 FACILITATOR DAVE WAHUS: Well, I need
24 to know up or down.

25 MS. JACKIE SHELTON: I'm sorry. I

1 need clarification.

2 FACILITATOR DAVE WAHUS: Okay.

3 MS. JACKIE SHELTON: I'm sorry. We
4 have not included the seven states government,
5 including local government reps, that's not even on
6 our list. And, you know, we're also talking about
7 they should head it up, that should be the very
8 beginning. So now we're talking about all of these
9 other entities, have we discounted the fact that we
10 want the seven state governments, including local and
11 government reps, on the list?

12 FACILITATOR DAVE WAHUS: The question
13 is, we started out by stating that all of these
14 are -- should be participating -- should participate
15 at some point in the partnership and in the activity
16 that TVA is suggesting. However, you have to start
17 someplace.

18 So the question is, who should be
19 involved initially as this partnership process is
20 developed and planned?

21 MS. JACKIE SHELTON: I understand.

22 FACILITATOR DAVE WAHUS: From the
23 discussion we have had so far is we have identified
24 EPA, USGS, and the seven state water resource
25 departments.

1 Now, as I asked for any other
2 additions, I didn't hear any. So now we're going
3 back to identify -- and if you -- let's address the
4 ones that are already outlined in yellow, and then if
5 they want to have any additions to that, I will
6 certainly open that to --

7 MS. JACKIE SHELTON: I'm sorry. I
8 didn't realize you had closed the discussion on who
9 was supposed to be included. So you're saying those
10 that we have marked in yellow are the only ones we
11 are to consider, unless at a later point we decide we
12 want to add someone else?

13 FACILITATOR DAVE WAHUS: But those are
14 the ones that I've heard people say should be
15 involved initially as EPA starts the development of
16 this partnership.

17 Are there others?

18 We will stop where we're at.

19 MS. JACKIE SHELTON: The seven state
20 governments, including government reps.

21 FACILITATOR DAVE WAHUS: Well, are the
22 seven state water resource agencies and the seven
23 state governments, are they the same thing or -- is
24 it the same thing or different?

25 MR. PHIL COMER: They are different.

1 FACILITATOR DAVE WAHUS: The seven
2 state governments and the seven state water reps are
3 different?

4 MR. PHIL COMER: Including local when
5 you add the --

6 FACILITATOR DAVE WAHUS: I understand
7 the local. Forgetting about the local for a minute,
8 are we redundant there or are we talking about
9 government --

10 DR. STEPHEN SMITH: Well, I mean,
11 that's the thing. I interpret that as -- you know, I
12 think the water state resource agencies, you know,
13 you could probably engage them in a conversation at a
14 lower level than -- you know, that was that whole
15 political protocol thing that I was hoping that we
16 would avoid in the initial because I think it drags
17 everything down.

18 So my sense is that you would keep
19 them out of the process for the initial realm
20 because, again, I may be aiming the sights a little
21 bit lower, but this is an informational discussion to
22 sort of identify informational gaps and to build a
23 baseline from which you could potentially build at a
24 later date as needed. You may not need them at this
25 point.

1 FACILITATOR DAVE WAHUS: Let me ask a
2 point of clarification. If I don't understand it,
3 maybe one or two of you might not either.

4 Of the seven states government, forget
5 about local government reps for just a moment, seven
6 states governments, are those -- is that the same as
7 the water resource agencies in the state or is that a
8 higher political with the governors, et cetera? Is
9 there a different or are they the same?

10 MR. JIMMY BARNETT: I would say they
11 are different because you have got the expert people
12 and the --

13 FACILITATOR DAVE WAHUS: Okay. That's
14 fine. I just want to understand so that we can
15 proceed.

16 So I have -- we have heard from at
17 least one member that we should have the government
18 reps, including local government reps should be
19 included in the initial discussions. Let's highlight
20 that, and then we're going to come back and we're
21 going to give all of you an opportunity to make --
22 help decide whether or not they should stay on the
23 list.

24 Okay. Before I leave that, are there
25 any others that we should be considering to be

1 involved initially?

2 Okay. Hearing none, we're going to
3 provide.

4 EPA we already -- USGS, do you agree
5 or not agree that they should be involved initially?

6 Let's see some thumbs. USGS. We have
7 one negative and the rest are all positives. So USGS
8 stays on the list.

9 State water resource department, seven
10 state water resource agencies?

11 I don't see anybody opposed to that.

12 Okay. So they will stay on the list.

13 Seven state government reps, including
14 local government reps, should they be on the list or
15 not?

16 Okay. One yes and the rest voted no.

17 MS. JULIE HARDIN: Sorry, Jackie.

18 MS. JACKIE SHELTON: That's all right.

19 FACILITATOR DAVE WAHUS: At least she
20 had an opportunity to say her peace.

21 MS. JACKIE SHELTON: That's right.

22 FACILITATOR DAVE WAHUS: And the other
23 one we have TVA, I think that's obvious, but -- come
24 on, Ed. So TVA stays on the list.

25 MR. BRUCE SHUPP: Let the record show

1 who voted no.

2 FACILITATOR DAVE WAHUS: To summarize
3 what I understand your recommendation is or your
4 response then is that all of these should be involved
5 eventually and that those that we have highlighted,
6 EPA --

7 MR. LEE BAKER: Can I get a
8 clarification?

9 FACILITATOR DAVE WAHUS: You certainly
10 may.

11 MR. LEE BAKER: Somebody help me
12 understand on the initial end the effectiveness of
13 EPA on this group. I understand USGS because they
14 have groundwater information.

15 EPA, what will be their contribution
16 likely on the front end?

17 DR. KATE JACKSON: EPA has the
18 responsibility for collecting national water quality
19 data.

20 MR. LEE BAKER: That's good enough.

21 DR. KATE JACKSON: So to the extent
22 that they have a database into which all the states
23 pour their data, they probably could be a resource.

24 MR. LEE BAKER: So that we end up with
25 a baseline that meshes and fits nicely with what's

1 across the board, that's the answer I was looking
2 for.

3 FACILITATOR DAVE WAHUS: Good
4 question. Good question. So we have EPA, USGS, the
5 seven state water resource agencies, I am reading
6 differently from what's up there, and TVA.

7 MS. JULIE HARDIN: Four.

8 DR. PAUL TEAGUE: I so move.

9 FACILITATOR DAVE WAHUS: Any comments?

10 MR. BRUCE SHUPP: Question No. 2.

11 FACILITATOR DAVE WAHUS: Okay. Let's
12 go to question No. 2.

13 Question No. 2 is: What role should
14 TVA play?

15 We have identified a short list. They
16 are all up on the screen. You have them in front of
17 you.

18 Are there any additional roles that
19 should be added to this list?

20 Did we capture what you tried to -- we
21 have facilitate at the top and facilitator with a
22 question mark near the bottom, we can take that one
23 off.

24 Is there anything -- did we
25 misinterpret what you said?

1 Bruce.

2 MR. BRUCE SHUPP: I would suggest that
3 the discussion we have had is sufficient guidance for
4 Kate and TVA, that there's nothing -- unless somebody
5 wants to add something or take something off of
6 there, I don't think we have to discuss all of those
7 issues. They are all heading in the same direction
8 toward a positive and inclusive approach with TVA in
9 the lead, and I would suggest that we just leave it
10 at that.

11 FACILITATOR DAVE WAHUS: Okay. I was
12 going to ask if you want to prioritize any of these
13 roles, any roles that seem to be more important. I
14 am hearing, no, you do not.

15 MS. JULIE HARDIN: It does occur to me
16 that there's a little bit of redundancy here. Surely
17 if TVA is the facilitator, that means they are
18 organizing, they are promoting, they have a goal, and
19 they are leading.

20 FACILITATOR DAVE WAHUS: Well, there
21 may be some redundancy, but by identifying them all
22 we'll make sure they don't forget.

23 DR. PAUL TEAGUE: So move.

24 MS. JULIE HARDIN: Kate wouldn't
25 forget one of them.

1 FACILITATOR DAVE WAHUS: Is there
2 anything more that you want to say about this
3 response to this answer?

4 Okay. Moving right along.

5 DR. STEPHEN SMITH: Let me add one
6 thing just real quick, and I don't think there will
7 be a big controversy. I think TVA should also make
8 sure that this is -- you know, doesn't blow up, too.
9 I mean, I am hearing that some of us are saying that
10 you don't want this thing to take off too big, you
11 want to sort of go in a step-wise fashion. So I
12 would say that, you know, let it grow up --

13 FACILITATOR DAVE WAHUS: In a
14 manageable fashion?

15 DR. STEPHEN SMITH: In a manageable
16 fashion because I could see how it could get out of
17 control. So manage the process so that it's
18 reasonable.

19 DR. KATE JACKSON: Let me make a
20 suggestion on that. I mean, these roles can be
21 implemented at several different levels. You can
22 lead and facilitate data sharing. You can lead and
23 facilitate policy development. So the way to manage
24 that or the way for you to provide me advice on that
25 is in question No. 3, prioritizing those, and talk

1 about, you know, first the low hanging fruit are
2 these three. The ones that we'd eventually like to
3 get to is this one, but we realize there are 100
4 steps in between, that would be helpful for us.

5 FACILITATOR DAVE WAHUS: Okay.

6 DR. KATE JACKSON: I don't think the
7 roles are quite as much an issue as the priorities of
8 the objectives from your perspective because then the
9 roles will fall out of that.

10 FACILITATOR DAVE WAHUS: Thank you.

11 So we're going to leave No. 2. Does anybody object
12 to leaving No. 2 as it is?

13 Going on to No. 3. What would be the
14 successful end-state for such a watershed regional --
15 region partnership? In specific, what are the
16 deliverables that would result in the desired
17 end-state?

18 Seeing what you have in front of you,
19 is there anything that needs to be changed?

20 Did we misinterpret what you said?

21 Is there anything that needs to be
22 added?

23 MR. GREER TIDWELL: I don't mean
24 adding in terms of adding numbers, I do think this is
25 where our discussion on prioritization can add a lot

1 of value.

2 FACILITATOR DAVE WAHUS: And I am
3 going to capture that in just a moment. We will go
4 to prioritization, but first I want to see if anybody
5 has anything more to contribute and then we'll go to
6 that.

7 DR. STEPHEN SMITH: Can I make sure I
8 am clear on how we're using the term end-state?

9 Is that the ultimate conclusion or is
10 this -- I mean, is this -- because I can almost see
11 this as being staggered.

12 So are we -- you know, are we talking
13 about ultimately or, you know, stage one, stage two,
14 stage kind of three type of things, because I think
15 there are different answers?

16 FACILITATOR DAVE WAHUS: I think the
17 end-state and the objectives or the end-state and the
18 deliverables on this list are mixed, and I am not
19 sure -- because everything we have on here is under
20 the submeeting end-state. So we could probably
21 remove the term end-state there, and then we will
22 address them and it will maybe make it a little bit
23 clearer.

24 End-state, I think, means where we
25 want to be 10, 15 years down the road, what's our

1 ultimate goal.

2 Did I misstate that?

3 End-state in terms of the -- what
4 would be the successful end-state for such a
5 partnership, is that the ultimate goal that you're
6 looking for?

7 DR. KATE JACKSON: And that's very
8 much dependent upon what you do. I mean, if what
9 your vision is is we get people talking about water,
10 then it could be an end-state a year from now. So
11 it's to get you talking about this. I am all right
12 with this discussion.

13 FACILITATOR DAVE WAHUS: Is that
14 crystal clear? Is there --

15 DR. STEPHEN SMITH: I am in a constant
16 state of fog, but that's okay.

17 MR. LEE BAKER: I knew that, but I
18 have never heard you admit it.

19 FACILITATOR DAVE WAHUS: That's quite
20 an accomplishment of itself.

21 MR. LEE BAKER: Absolutely. I am
22 proud of him.

23 FACILITATOR DAVE WAHUS: Okay. In
24 response to Kate's comment a moment ago and to
25 Greer's encouragement, as we look at setting some

1 priorities. Of these items up here, what can be
2 accomplished in the short-term?

3 So some low hanging fruit, some
4 priorities. What should we be looking at first?

5 And Bruce, in that you have your name
6 tag up, I am going to ask you to start out.

7 MR. BRUCE SHUPP: Yeah. I have been
8 looking at them and I think, help me now with this,
9 that we can fit these in -- all into two categories,
10 the first category, second category.

11 The first category would be what we
12 would expect the group we just identified, the seven
13 states and the EPA and USGS, that the first group,
14 the planners, the guys that are in there to figure
15 out how to get this thing rolling, the things they
16 can identify to start working on, that would be the
17 first group.

18 FACILITATOR DAVE WAHUS: So we will
19 call that the short-term group.

20 MR. BRUCE SHUPP: Short-term or
21 priority one, whatever.

22 FACILITATOR DAVE WAHUS: Okay.

23 MR. BRUCE SHUPP: And then the rest of
24 them, and I don't know how to set -- how to
25 prioritize these, I'm sorry, I just don't have that

1 understanding of which would come first, but I think
2 the second group then would be the long-range
3 accomplishments of whatever happens, whether a
4 Compact is formed or whether this group expands to
5 include stakeholders and industries, you know,
6 whatever, I think that's -- I don't think we can get
7 much more refined than that, at least I can't.

8 DR. STEPHEN SMITH: Well, let me share
9 something. I think that in -- if we were to call it
10 stage one, low hanging fruit.

11 MR. PHIL COMER: Fruit. Fruit.

12 DR. STEPHEN SMITH: What did you think
13 I said?

14 MR. PHIL COMER: Trees.

15 MS. JULIE HARDIN: He said fruit.

16 FACILITATOR DAVE WAHUS: The fruit is
17 on the tree.

18 MS. JULIE HARDIN: I think we need to
19 send Comer home.

20 MR. PAUL TEAGUE: You take him. We
21 don't want him.

22 DR. STEPHEN SMITH: Here we go. I
23 think seamless information and data sharing, I mean,
24 attempting to try to figure that piece out a little
25 bit and see where we are and where this common data

1 is. I think identifying existing and future demands
2 through technology review and infrastructure review,
3 present and future, I think those kind of things
4 could be -- and I am not exactly sure what all is
5 entailed there, but it seems like that would be sort
6 of a first level approach.

7 You know, this term ensure good
8 science, that's a pretty major thing, but at least
9 make sure that what the science people are using is
10 consistent. I think there was also an attempt -- I
11 think there was some recognition that -- I think Phil
12 brought this up that -- you know, how various states
13 are, you know, labeling their supply needs and their
14 use or whatever may not be consistent. So try to
15 identify as much consistency so you make sure you're
16 talking apples and apples across state lines and
17 everything if you were to do it on a regional basis.

18 I think those are all sort of first
19 run types of things that should be somewhat --
20 somewhat achievable in trying to begin a conversation
21 so that you at least have a baseline of commonality
22 that you're working from because at that point you
23 can begin to get a clearer picture of what the
24 problem is and what would be a next step. I mean, I
25 am not sure we have that, so I think that's sort of

1 stage one.

2 FACILITATOR DAVE WAHUS: Okay.

3 MR. ED WILLIAMS: Going back to my
4 earlier point, I think the uniform water conservation
5 program can put a positive spin on it with very
6 little downside and that would be an achievable
7 slam-dunk type of approach as opposed to more of
8 these other complex issues, get everybody to the
9 table agreeing to some conservation measures.

10 FACILITATOR DAVE WAHUS: That's a new
11 item there.

12 MR. BRUCE SHUPP: No. 2 on the second
13 page.

14 FACILITATOR DAVE WAHUS: Okay.
15 Uniform water conservation program. Let's start with
16 the open statement. Let's do this in a logical
17 fashion so I can follow it. I know your minds go a
18 lot faster and are probably a lot brighter than me.
19 So if you will slow down for just a little bit and
20 take me with you.

21 Let's go one item at a time and tell
22 me whether it's short-term or not. I know you have
23 identified about three or four down the line, but I
24 want to make sure that we don't miss anything.

25 Open statement by the governors of the

1 state water management policy and agreement on demand
2 forecasts process, is one or two items?

3 Do they need to be together or do they
4 need to be split?

5 MR. GREER TIDWELL: Let's split those
6 up.

7 FACILITATOR DAVE WAHUS: Okay. So the
8 open-end statement by governors on the state water
9 management policy, is that a short-term item or
10 long-term?

11 MR. GREER TIDWELL: Mid-term.

12 FACILITATOR DAVE WAHUS: Pardon me?

13 MR. GREER TIDWELL: I said mid-term.
14 Go ahead.

15 FACILITATOR DAVE WAHUS: Well, it's
16 not short-term. We're identifying short-term or
17 beyond.

18 MS. JULIE HARDIN: Long-term.

19 FACILITATOR DAVE WAHUS: It's
20 short-term and beyond, and we will let TVA identify
21 what beyond means.

22 Agreement on demand forecasts process?

23 MR. LEE BAKER: Short-term.

24 FACILITATOR DAVE WAHUS: Short-term?

25 Do I have concurrence on short-term? Okay.

1 Short-term item.

2 Long-term durability and viability
3 through political changes?

4 MS. JULIE HARDIN: Long-term.

5 FACILITATOR DAVE WAHUS: Long-term.

6 Okay. Progress at the political level with fruits
7 of --

8 MS. JULIE HARDIN: Long-term.

9 FACILITATOR DAVE WAHUS: -- work at
10 lower level?

11 MS. JULIE HARDIN: Long-term.

12 MR. LEE BAKER: Long-term.

13 FACILITATOR DAVE WAHUS: Develop a
14 policy of process request for new water, state
15 agreements?

16 MS. JULIE HARDIN: Long-term.

17 FACILITATOR DAVE WAHUS: Anybody
18 disagree? Okay.

19 Interstate Compact?

20 MS. JULIE HARDIN: Long.

21 FACILITATOR DAVE WAHUS: Okay. A
22 long-term.

23 Avoidance of water war process?

24 MS. JULIE HARDIN: Long.

25 FACILITATOR DAVE WAHUS: Long-term.

1 Complimentary regulations between states and TVA?

2 MR. LEE BAKER: Long.

3 FACILITATOR DAVE WAHUS: Any

4 objections?

5 Seamless information and data sharing?

6 MR. PHIL COMER: Short.

7 FACILITATOR DAVE WAHUS: I am hearing

8 short-term, is that a short-term item?

9 MR. JIMMY BARNETT: The seamless part
10 is.

11 FACILITATOR DAVE WAHUS: Seamless
12 information and data sharing.

13 MR. JIMMY BARNETT: The word seamless
14 is long-term because it would take a while to get
15 there, but it needs to be started in the short-term.

16 FACILITATOR DAVE WAHUS: Who can use
17 water and how, specifics?

18 MR. JIMMY BARNETT: Long.

19 FACILITATOR DAVE WAHUS: Long-term. I
20 am assuming that if anyone objects they are going to
21 speak up here.

22 Limits on the amounts to be removed
23 based on TVA's current considerations?

24 MR. LEE BAKER: Long.

25 MS. JULIE HARDIN: Long.

1 FACILITATOR DAVE WAHUS: Long-term.

2 Okay.

3 Identify existing and future demands
4 through technology review and infrastructure review,
5 present and future?

6 MR. JIMMY BARNETT: Short.

7 FACILITATOR DAVE WAHUS: Short-term?

8 MR. JIMMY BARNETT: Uh-huh.

9 FACILITATOR DAVE WAHUS: Okay.

10 Identify trade-offs and cost benefits?

11 MR. JIMMY BARNETT: I'd call that

12 short.

13 FACILITATOR DAVE WAHUS: I am hearing
14 short-term. Agreement? I am not hearing any
15 objection, so call it short-term.

16 Comprehensive strategies for the
17 states? Recommendation?

18 MR. LEE BAKER: Long.

19 FACILITATOR DAVE WAHUS: Long-term.

20 Okay.

21 Uniform water conservation program, I
22 heard Ed say earlier that that's a short-term. Do
23 you agree?

24 MR. PHIL COMER: That's short-term.

25 FACILITATOR DAVE WAHUS: Short-term.

1 Okay.

2 Regional water grid, address
3 limitations on downstream users, reasonable process
4 across the political boundaries and watershed?

5 MR. LEE BAKER: Long.

6 MS. JULIE HARDIN: Long.

7 FACILITATOR DAVE WAHUS: Long-term.

8 Don't reinvent the wheel, look to the western
9 approach?

10 MR. GREER TIDWELL: They have already
11 done that.

12 FACILITATOR DAVE WAHUS: That's a
13 short-term item, right?

14 MR. LEE BAKER: Greer just didn't know
15 it.

16 MS. BRIDGETTE ELLIS: It's going to be
17 short-term now.

18 MR. PHIL COMER: Kate didn't know it
19 either.

20 FACILITATOR DAVE WAHUS: You have got
21 that set up.

22 DR. KATE JACKSON: You have no idea.

23 FACILITATOR DAVE WAHUS: All
24 stakeholders at the table and no court involvement?

25 MS. JULIE HARDIN: Short.

1 FACILITATOR DAVE WAHUS: All
2 stakeholders at the table and no court involvement,
3 is that a long-term objective or a short-term?

4 MR. LEE BAKER: That's long.

5 FACILITATOR DAVE WAHUS: Long-term.

6 Okay. Process for water allocation?

7 MR. LEE BAKER: That's long.

8 FACILITATOR DAVE WAHUS: Long-term.

9 Consensus on demand forecasts numbers?

10 MR. BRUCE SHUPP: Short.

11 MR. LEE BAKER: Short.

12 FACILITATOR DAVE WAHUS: Short.

13 Sections 2.1, 2.2, and 2.3 in H.R. 135, which are the
14 nations water resources will be utilized to their
15 fullest capacity in the coming decades, a thorough
16 assessment of technological advances that can be
17 employed to increase water supplies in every region
18 of the county is important and the country -- of the
19 county is important and long overdue, and a
20 comprehensive strategy to increase available water
21 supplies is vital to the economic and environmental
22 future of the nation.

23 Long-term?

24 MR. GREER TIDWELL: I think No. 2 is
25 already captured or supposed to be captured in what

1 Ed said earlier as a short-term and the other ones
2 are long-term.

3 FACILITATOR DAVE WAHUS: The others
4 are long-term. Okay. It's already been captured.

5 Facilitate means for developing
6 consensus on these issues by using H.R. 135, long or
7 short?

8 MS. JULIE HARDIN: Long.

9 FACILITATOR DAVE WAHUS: Facilitate
10 state means for developing consensus on these issues
11 by using H.R. 135?

12 MR. LEE BAKER: Long.

13 MS. JULIE HARDIN: Long-term.

14 FACILITATOR DAVE WAHUS: Long-term.
15 Develop a model to be used nationwide?

16 MR. PHIL COMER: Very long.

17 FACILITATOR DAVE WAHUS: Ensure good
18 science.

19 MR. BRUCE SHUPP: One, short-term.

20 FACILITATOR DAVE WAHUS: And the last
21 one we have here is find issues, gaps, opportunities
22 and achievable goals. I guess that should be define
23 issues. Short-term item?

24 MR. BRUCE SHUPP: Short-term item.

25 FACILITATOR DAVE WAHUS: Okay. So if

1 you will start from the top, if you will go back up
2 to the top for just a moment. Okay. The items you
3 have identified as short-term are one, an agreement
4 on demand forecasts process of a three-year process;
5 a platform for decision-making; seamless information
6 and data sharing; identify existing and future
7 demands through technology review and infrastructure
8 review, both for the present and future; identify
9 trade-offs and cost benefits; a uniform water
10 conservation program, including new technology
11 advancements; don't reinvent the wheel; look to the
12 western approach; consensus on demand forecasts;
13 ensure good science; and define issues, gaps,
14 opportunities and achievable goals.

15 Does anyone object or anyone have any
16 changes they wish to make to these?

17 If not, those would be the -- those
18 would be identified as the short-term -- the low
19 hanging fruit from the tree.

20 MR. PHIL COMER: Well said.

21 FACILITATOR DAVE WAHUS: Thank you.
22 The low-hanging fruit or the short-term
23 accomplishments. And then the other -- the rest of
24 the accomplishments would be identified as far as
25 timing would depend on the partnership.

1 Okay. Let's go on to No. 4.

2 What are the specific examples of
3 objectives and strategies that might be used as input
4 for a partnership?

5 There's a rather long list here. Did
6 we misinterpret anything that you added to the list?

7 Did we -- as you see earlier, we did
8 make a few corrections and/or are there any additions
9 to be made to this list?

10 Then the next question is going to be,
11 which ones are priority?

12 What are the highest priority items?

13 Which ones are the most important that
14 may be --

15 MR. JIMMY BARNETT: We have already
16 done that in No. 3.

17 FACILITATOR DAVE WAHUS: Pardon me?

18 MR. JIMMY BARNETT: We're going to
19 recommend to TVA that to do No. 3 -- like start at
20 the working level, that's what we just decided.

21 FACILITATOR DAVE WAHUS: Would you
22 mind highlighting No. 3? So that should be one of
23 the high priorities.

24 Are there any others?

25 MR. BRUCE SHUPP: Again, I will

1 suggest that we set the top priorities as those that
2 will affect the first meeting, and then the rest that
3 will follow sometime or however that -- the game plan
4 evolves from that point on. I would say we have two
5 categories again, short-term and long-term.

6 FACILITATOR DAVE WAHUS: So starting
7 at the working level, not the political level, is a
8 short-term item, do you want to start at the top of
9 the list and go on through again?

10 Start at the top. The first item,
11 have TVA review and respond to RRSC recommendations
12 by the next meeting?

13 MR. PHIL COMER: That's short-term.

14 FACILITATOR DAVE WAHUS: That's a
15 short-term item. So we will highlight that one.
16 That's short-term.

17 Have a game plan by September.

18 MR. BRUCE SHUPP: Short.

19 FACILITATOR DAVE WAHUS: Short-term.

20 You have already suggested that starting at the
21 working level is a short-term. Any objections?

22 Involve technical experts and develop
23 preliminary cooperative process with governors?

24 MS. JULIE HARDIN: Long.

25 MR. BRUCE SHUPP: Well, that's a

1 two-step process. They are involving the technical
2 experts in the first meeting. So in a way we ought
3 to split that.

4 MR. PHIL COMER: I think we should
5 split it.

6 FACILITATOR DAVE WAHUS: Let's split
7 that one. So involve technical experts as a
8 short-term and develop the preliminary cooperative
9 process with governors as long-term.

10 Maintain sustainable use of our water?

11 MR. GREER TIDWELL: Long-term.

12 FACILITATOR DAVE WAHUS: And I really
13 appreciate those of you nodding heads in agreement,
14 it gives me a better feel here that I am not making
15 decisions here, that you are.

16 MR. BRUCE SHUPP: Make sure their eyes
17 are open when they are nodding.

18 FACILITATOR DAVE WAHUS: I have been
19 watching a couple of them.

20 Increase in water supply, ability to
21 use water in the Tennessee River watershed as stated
22 in H.R. 135 or better manage available supply?

23 MR. BRUCE SHUPP: Long-term.

24 FACILITATOR DAVE WAHUS: Okay. Thank
25 you for nodding.

1 Utilize and build upon positive
2 opportunities, i.e., H.R. 135?

3 MS. JULIE HARDIN: Long.

4 FACILITATOR DAVE WAHUS: Long-term.
5 Okay.

6 Partner with EPA Region IV to help but
7 not lead, that would be -- based on what you said
8 earlier, that's a short-term, I believe.

9 MR. BRUCE SHUPP: They are invited to
10 the meeting.

11 MS. JULIE HARDIN: Why is that a
12 question mark?

13 FACILITATOR DAVE WAHUS: I guess
14 somebody asked a question. There was a discussion as
15 to whether EPA should be involved or not.

16 MR. BRUCE SHUPP: Because this is
17 going to be a public document eventually, let's take
18 that -- just leave it as partner with EPA Region IV
19 and forget the rest.

20 MS. JULIE HARDIN: Exactly.

21 FACILITATOR DAVE WAHUS: Good. Keep
22 federal agencies out of the lead role while TVA
23 facilitates the process?

24 MR. PAUL TEAGUE: Better leave that
25 one out too. Remove that from the list.

1 FACILITATOR DAVE WAHUS: Do you want
2 to remove that from the list?

3 MR. BRUCE SHUPP: Yes.

4 DR. PAUL TEAGUE: Yes.

5 MS. JULIE HARDIN: Yes.

6 FACILITATOR DAVE WAHUS: Okay. Please
7 remove that one.

8 Conference to discuss background and
9 need for watershed-wide partnership, develop a
10 vision?

11 MR. PHIL COMER: That's a short-term
12 to do in the first meeting.

13 FACILITATOR DAVE WAHUS: Short-term.
14 Working subgroups to address specific topics and
15 issues?

16 MR. BRUCE SHUPP: Long.

17 MR. PHIL COMER: Long.

18 FACILITATOR DAVE WAHUS: Long-term.
19 Okay.

20 Discussion by entire group to arrive
21 at consensus?

22 MR. PHIL COMER: They will do that
23 short and long.

24 MR. BRUCE SHUPP: I think that's --
25 that can come out.

1 FACILITATOR DAVE WAHUS: You want to
2 remove that one. Okay.

3 Public meeting with larger group of
4 stakeholders?

5 MR. PHIL COMER: Long-term.

6 MS. JULIE HARDIN: Long.

7 FACILITATOR DAVE WAHUS: Long-term.

8 Follow up reporting to all stakeholders?

9 MS. JULIE HARDIN: Long.

10 FACILITATOR DAVE WAHUS: Long-term.

11 Promote concept of managing water to benefit the
12 economy?

13 MS. JULIE HARDIN: Long.

14 FACILITATOR DAVE WAHUS: Long-term.

15 Consider nexus to land use planning and growth
16 management in water resource planning and management?

17 MR. BRUCE SHUPP: Long.

18 MS. MILES MENNELL: Long.

19 FACILITATOR DAVE WAHUS: Long-term.

20 Nodding. Okay.

21 Look to other successful state
22 Compacts, i.e., forest fire management as a
23 framework?

24 MR. PAUL TEAGUE: Long.

25 MR. PHIL COMER: Long.

1 MR. BRUCE SHUPP: That may be
2 something they want to look at to see where they want
3 to go next, that's short-term.

4 FACILITATOR DAVE WAHUS: I am hearing
5 several short-term. Objections? Okay.

6 MS. JULIE HARDIN: Some of these are
7 continuous.

8 FACILITATOR DAVE WAHUS: Well, they
9 are. You start and then it would continue on, I'm
10 sure.

11 Provide local support for groups,
12 issues that may extend outside of the Valley, i.e.,
13 upper Tennessee watershed roundtable?

14 MR. GREER TIDWELL: Continue.

15 FACILITATOR DAVE WAHUS: Continuous?
16 So it could be short- or long-term, so let's identify
17 it as short-term.

18 MR. GREER TIDWELL: Yeah.

19 FACILITATOR DAVE WAHUS: Informal
20 start with data gathering and review and then broaden
21 stakeholder base and influence policy?

22 MR. PHIL COMER: Short-term.

23 FACILITATOR DAVE WAHUS: Short-term, I
24 am seeing a number of nods. We will take the
25 question mark off.

1 Start at high level educating states
2 and governors by using H.R. 135 as a model?

3 MR. PAUL TEAGUE: Long.

4 MR. BRUCE SHUPP: Well, do we want to
5 keep that even in there because we're not
6 recommending that? I would say we take that out and
7 then take the next one out too, because that's
8 redundant with what we said before.

9 FACILITATOR DAVE WAHUS: So the last
10 two would be removed. Do I have concurrence on that?

11 MS. JULIE HARDIN: Yes.

12 FACILITATOR DAVE WAHUS: Okay. Thank
13 you. Would you scroll to the top of that one,
14 please?

15 Okay. These are the short-term items
16 that you have identified. One, have TVA review and
17 respond to the RRSC recommendations by the next RRSC
18 meeting in September; have a game plan by September;
19 start at the working level, not the political level
20 or involve political reps; involve technical experts;
21 partner with EPA Region IV; a conference to discuss
22 background and need for watershed-wide partnership;
23 develop a vision; look to other successful state
24 Compacts, i.e., forest fire management as a
25 framework; provide local support for group issues

1 that may extend outside the Valley, i.e., the Upper
2 Tennessee watershed roundtable; an informal start
3 with data gathering and review; then broaden
4 stakeholder base and influence policy.

5 Greer.

6 MR. GREER TIDWELL: I've one change I
7 want to throw out there because I'm afraid we're
8 losing some of the policy. When we say partner with
9 EPA Region IV, I am concerned that puts them in a
10 higher level than everybody else and maybe confer and
11 involve because I am concerned about them all of a
12 sudden being the lead on this with us.

13 MR. BRUCE SHUPP: Should we just take
14 the whole thing out --

15 MR. ED WILLIAMS: Take it out.

16 MR. BRUCE SHUPP: -- because we're
17 inviting them to be part of the process?

18 MR. GREER TIDWELL: Take it out.

19 FACILITATOR DAVE WAHUS: Go up and
20 remove it.

21 MR. BRUCE SHUPP: Glad you brought
22 that up. It shouldn't be up there.

23 FACILITATOR DAVE WAHUS: That's why I
24 couldn't see it. Any other comments? Good
25 discussion and good comments.

1 Okay. Hearing and seeing no
2 objections, Bruce, did you have a comment?

3 MR. BRUCE SHUPP: No. I'm sorry.

4 FACILITATOR DAVE WAHUS: Seeing no
5 objection, we're going to go to No. 5.

6 Question No. 5, is: What time frame
7 is reasonable for a partnership to be established and
8 results obtained?

9 MR. GREER TIDWELL: Next week.

10 FACILITATOR DAVE WAHUS: Next week,
11 did I hear? No, I don't -- well, anyway, we have
12 five items up here. Again, I'll ask the question,
13 are there any other issues that need to be addressed
14 here that needed to be added or any changes?

15 Bruce.

16 MR. BRUCE SHUPP: I suggest we
17 eliminate everything but the second and the third
18 items and that would take us to the stage we
19 discussed earlier, September 2003, report back from
20 TVA and how they are going to do it, 2004 initiate
21 the process, and everything after that works out as
22 they schedule.

23 MR. LEE BAKER: I agree.

24 MS. JULIE HARDIN: Agree.

25 FACILITATOR DAVE WAHUS: Do I have any

1 objection to that? Okay. We take out the first
2 bullet and go ahead and take out the last two
3 bullets. Now the last bullet.

4 So your response then to what time
5 frame is reasonable for a partnership to be
6 established and the results obtained are, one,
7 September 2003, a proposal to move forward, TVA's
8 response to the RRSC recommendations on how to
9 proceed, i.e., dual-effort conference in 2004, and
10 then two, in 2004 TVA facilitate and initiate
11 discussion of identified stakeholders with the goal
12 to set objectives.

13 MR. JIMMY BARNETT: In No. 1 do we
14 need that parenthesis part, i.e, dual-effort
15 conference in 2004 still left in there?

16 MR. GREER TIDWELL: Get rid of both
17 parentheticals.

18 FACILITATOR DAVE WAHUS: Remove them
19 both. Objections? Everybody agrees on this response
20 to the question? Anyone need to add anything, modify
21 anything, make any further deletions?

22 Hearing none, we will proceed to
23 Question No. 6.

24 How would such a partnership and its
25 activities be funded?

1 I am going to ask you three questions.

2 One, are there any additions, two, corrections, and
3 then three, what are the priorities?

4 Phil.

5 MR. PHIL COMER: Leave out lottery, I
6 was being facetious.

7 FACILITATOR DAVE WAHUS: Leave out
8 lottery.

9 MR. ED WILLIAMS: Substitute for that
10 barbequing Jimmy Barnett.

11 MR. JIMMY BARNETT: With our bonding
12 company being Ed.

13 MR. BRUCE SHUPP: Dave, I would
14 suggest taking out the first bullet.

15 FACILITATOR DAVE WAHUS: Take out the
16 first bullet, distributors and ratepayers.

17 MR. BRUCE SHUPP: And then let them
18 flow in priority right from there, and I think we
19 have got a package.

20 FACILITATOR DAVE WAHUS: And the rest
21 are in priority. Do I hear any disagreement? Any
22 further discussion?

23 MR. GREER TIDWELL: I want to make
24 sure I am reading something clearly. TVA should not
25 fund the whole process, share costs with other

1 stakeholders, pay to participate, and increase
2 stakeholder support, I think we need -- after the
3 process we need something like instead TVA should,
4 otherwise, it sounds like you're saying not to do all
5 of that list.

6 MS. MILES MENNELL: It should say,
7 instead, other stakeholders should share the costs.

8 MR. BRUCE SHUPP: They get the point.

9 FACILITATOR DAVE WAHUS: Okay.

10 MR. PAUL TEAGUE: We discussed you
11 wanted to take out the word commission, put in
12 partnership or call it something besides commission,
13 is that not true?

14 MR. BRUCE SHUPP: Yeah.

15 FACILITATOR DAVE WAHUS: A basin
16 partnership?

17 MR. BRUCE SHUPP: Partnership or
18 Compact or whatever.

19 FACILITATOR DAVE WAHUS: The series of
20 questions referred to partnership, so if we use the
21 same terminology that of the question, we're staying
22 along the same line.

23 MR. BRUCE SHUPP: Excellent idea.

24 FACILITATOR DAVE WAHUS: Do you agree?

25 MS. JULIE HARDIN: Yes.

1 FACILITATOR DAVE WAHUS: Any other
2 discussion? Any comments?

3 Well, Mr. Chairman, I think then we
4 have responses to six questions.

5 Before I leave the floor I would --

6 MR. ED WILLIAMS: Just to clean it up,
7 one final matter or suggestion, let's take the
8 parenthetical out and association out and just have
9 basin partnership.

10 MR. BRUCE SHUPP: Sure.

11 FACILITATOR DAVE WAHUS: Take out --

12 MR. ED WILLIAMS: And association.

13 FACILITATOR DAVE WAHUS: Okay. Before
14 I leave the floor then, I would like you to help me
15 thank Laura Duncan. Her efforts here really did a
16 great job of speeding up your efforts, and I think
17 that she should be applauded.

18 Mr. Chairman, I relinquish the floor.

19 MR. BRUCE SHUPP: Don't leave yet.

20 Just a second. Great job, David, and everybody on
21 the council.

22 I want to ask Kate, is there any way
23 we can further clarify this to help you do what we
24 expect you to do?

25 DR. KATE JACKSON: No, I think you

1 have done a nice job, Bruce.

2 MR. BRUCE SHUPP: Thank you. I think
3 you-all did a great job. Thank you, David.

4 A little housekeeping at the end.
5 Kate.

6 DR. KATE JACKSON: The Regional
7 Resource Stewardship Council briefing for the ROS has
8 been scheduled on Friday, June 20th, at 10:00 to 2:00
9 here in Knoxville, and I just want to remind folks
10 that that is not a -- that's not a council meeting.
11 It is not under the auspices of FICA, Friday, June
12 20th, 10:00 to 2:00 here in Knoxville. We will not
13 have a court reporter. It is essentially a courtesy
14 briefing of a group of special stakeholders. Okay.

15 MR. PHIL COMER: I don't understand
16 this. June 20th, 10:00 to 2:00, will be what?

17 DR. KATE JACKSON: That's the --
18 you-all had asked us to do a special briefing of the
19 status of the Reservoir Operations Study for the
20 Regional Resource Stewardship Council membership, and
21 that meeting will be on June 20th.

22 MR. PHIL COMER: No fruit or high
23 fruit?

24 DR. KATE JACKSON: It'll be hanging on
25 a tree.

1 MR. PHIL COMER: Here.

2 DR. KATE JACKSON: Here in Knoxville.

3 MR. BRUCE SHUPP: She announced that
4 before you came in yesterday, Phil.

5 DR. KATE JACKSON: I announced that we
6 were working on getting that scheduled and now it is.

7 MR. BRUCE SHUPP: Okay. Anything else
8 for the good of the council, good for TVA while we're
9 all gathered?

10 MR. GREER TIDWELL: Did we announce
11 the next meeting schedule?

12 MR. BRUCE SHUPP: Leave your name
13 tags.

14 MR. JIMMY BARNETT: Yes, sir. The
15 exact dates of the next council meeting, Kate, you
16 will let us know?

17 DR. KATE JACKSON: You picked your
18 first two priorities, and I think what we will do is
19 use those and charge off and get back to you as soon
20 as we possibly can.

21 MR. PHIL COMER: Those dates are 10,
22 11, 12, two of those three?

23 DR. KATE JACKSON: 10 and 11 or 11 and
24 12, that's right.

25 MR. LEE BAKER: The 12th is going to

1 be a problem for me because of a distributor meeting,
2 but I would be the only one.

3 DR. KATE JACKSON: 10 and 11 is the
4 first priority.

5 MR. LEE BAKER: 10 and 11 will work
6 for me.

7 DR. KATE JACKSON: We will work on
8 that as soon as Sandy can work on that.

9 MR. BRUCE SHUPP: Anything else?

10 I want to thank the TVA staff for a
11 great job all week. Paul, thank you very much. Kim,
12 thank you as always. And thank you council for a
13 great job.

14 Adjourned.

15 END OF PROCEEDINGS

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REPORTER'S CERTIFICATE

STATE OF TENNESSEE :

COUNTY OF HAMILTON :

I, Kimberly J. Nixon, RPR, the officer before whom the foregoing meeting was taken, do hereby certify that the transcription of the proceedings that appears in the foregoing transcript was taken by me in machine shorthand and thereafter reduced to typewriting; that the said transcript is a true record of the proceedings;

In witness whereof, I have hereunto set my hand this _____ day of _____, 2003.

KIMBERLY J. NIXON, RPR
Notary Public in and for the
State of Tennessee at Large.
My commission expires April 24,
2004.

