MINUTES
OF
REGIONAL RESOURCE STEWARDSHIP COUNCIL
MEETING

May 25, 2000
Huntsville, Alabama

Present

1. Mr. Lee Baker
2. Mr. Jimmy Barnett
3. Senator Roger Bedford, Jr.
4. Mr. Austin Carroll
5. Mr. Phil Comer
6. Ms. Ann Coulter
7. Mr. Jim Creighton (Council Consultant)
8. Mr. Bill Forsyth
9. Mayor Thomas Griffith
10. Ms. Julie Hardin
11. Dr. Kathryn J. Jackson (DFO)
12. Mr. Al Mann
13. Ms. Miles Mennell
14. Mr. W. C. Nelson
15. Ms. Elaine Patterson
16. Mr. Bruce Shupp
17. Mayor Eddie L. Smith, Jr. (Council Chair)
18. Dr. Stephen A. Smith
19. Mr. Jim Sutphin
20. Dr. Paul F. Teague

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Approved by: Eddie L. Smith, Jr.
Chair

REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

MAY 25, 2000

LOCATION:

HILTON HUNTSVILLE
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HUNTSVILLE, ALABAMA 35801

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REGIONAL RESOURCE STEWARDSHIP COUNCIL

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MR. AL MANN
MAYOR THOMAS GRIFFITH
MR. BILL FORSYTH
MR. HERMAN MORRIS, JR.
MR. JIM SUTPHIN
MS. ELAINE PATTERSON
MR. LEE BAKER
MR. JIMMY BARNETT
MR. AUSTIN CARROLL
MR. BOB MATHENY
MR. PHIL COMER
MS. ANN COULTER
MS. JULIE HARDIN
MS. MILES MENNELL
MR. BRUCE SHUPP
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P R O C E E D I N G S

MAYOR EDDIE SMITH: I believe it's 8:00 by my time. We would like to thank all of you who are here. We have a real full schedule for today and we would want to get started. Just a moment of silence for meditation before we get into our agenda. So we will do that at this time, please. Amen. Thank you.

Let me start off by reviewing the agenda for the day, and we have -- we wanted to give everybody an opportunity -- one of the things we wanted to do is give everybody an opportunity to -- to express views that you have from your constituency and any -- whatever you have on what we should be doing. So we have allowed about 30 minutes to do that.

Then we would like to take some time to get more concrete about the issues that we need to get done, that was one of the things -- we wanted to focus on that, and we allowed about a half hour for that.

At the last meeting we thought that

23 we may need additional information from TVA
24 operations, and so we -- several issues came up
25 about lake levels and land management and the

1 various topics that TVA -- that is involved in the
2 TVA system, and so we have asked the TVA
3 representatives to come and share some information
4 on that with us as part of our continuing education
5 process so that we can be more informed about what
6 we need to do and -- because yesterday we were very
7 fortunate to get the real firsthand experience by
8 traveling on the boat and really seeing how the
9 system is operated, and I think that was very
10 enlightening to me because it's much more realistic
11 to ride down the river to see where the water might
12 come up and flood if something gets out of balance.
13 Then, of course, we allowed some time
14 for you to comment on the TVA presentation, and that
15 will be done before lunch.
16 This afternoon we will spend a great
17 deal of time hopefully getting ourselves organized
18 on how we should get our job done. Hopefully, this
19 morning we will identify the issues and the topics
20 that we need to be dealing with, and I think that

once we have done that, then we will need to probably set up subcommittees to work on some topics, so that's my personal opinion. Of course, the Council may decide something different, but that's what we think we need to do in that area.

In addition, we hope to be out of here by 4:00 p.m. today, that's our schedule for getting out of the schedule today, so we hope to be through before then or by then.

And this is basically -- you have the agenda before you, and this is basically what we want to do today. We want to find out now if there are any additional items that we have left off that you think that we need to add to the agenda.

Okay. So hearing no additions, since we operate by matter of consensus, we will assume that we hear no opposition, that we have a consensus and that this is our agenda for today.

We would like to know -- just go around the room and hear from you and your constituency what you think and what you need to -- what you have heard from your various groups, and so we will start with Paul, I guess it is.

Is everybody awake this morning?

Paul?

MR. PAUL TEAGUE: I haven't heard anything.

MAYOR EDDIE SMITH: You haven't heard anything?

MR. PAUL TEAGUE: No.

MAYOR EDDIE SMITH: Well, anybody else? We'll just follow around the room. Does anybody have anything they want to share, what you heard or what you think?

MR. W. C. NELSON: I have had several calls from the people in North Georgia concerning the low lake levels on the lakes in Georgia, some of the -- two of the lakes have reached their target level and one has not, and one is consistently -- in the last six years three out of the six has not reached its target level, and there's a lot of concern about the lake levels. That's the only comments I have had from my people I represent.

MAYOR EDDIE SMITH: Okay. We will keep going around the room.

MR. JIMMY BARNETT: Nothing in particular, other than I have had one barge line

talk to me about increased depth in the channel. It was for economic growth, which they could provide the transportation for.

I've also heard some comments in regard to a fair amount of appropriations from the government. In addition, a lot of folks in my particular area would like TVA to continue to operate the river as an integrated resource.

MAYOR EDDIE SMITH: Uh-huh. Okay.

MR. BILL FORSYTH: There's only one item that anybody has said anything to me about, and that's the lake levels. There have been a lot of people that have talked to me about that.

People in our area understand how the reservoir lakes work and understand the need for them. They do not want to adversely affect power rates but feel that the delay of the drawdown would have a very positive economic development effect for our area, and that's a big concern.

MR. THOMAS GRIFFITH: Mr. Chairman, I have not had a lot of comments. Probably most of my constituents probably don't have some of the dealings with and so forth of other areas or parts of the Tennessee Valley.

The only thing I have heard expressed -- a concern expressed was from a concern over the upcoming predictions of an extremely dry summer and they are wanting to keep the lights on. There's a possibility of power shortages across the country in our business and industries, in particular, are interested in an adequate source of electricity this summer. So as far as comments, that's about the main comments that I have heard in

my part of the country.

MS. JULIE HARDIN: In Knoxville I have heard from many people. It seems that the overriding concern is the quality of air near our Great Smoky Mountains National Park and the quality of air in our East Tennessee area.

Yesterday headlines in the paper talked about us being the twelfth dirtiest air in the United States, almost at the same level as Phoenix and Los Angeles. And they are very concerned that air is a national resource, regional resource to these stewards.

MR. AL MANN: Mr. Chairman, I am hearing water and lake levels, like most of the rest

of my colleagues are, to sum it up.

MAYOR EDDIE SMITH: Lake levels, I have heard a lot of that too, water lake levels.

MR. BRUCE SHUPP: We have heard nothing new since being appointed to the Council. Our membership is generally very interested in boating access, which includes lake levels, certainly includes lake levels, and water quality improvements in some of the river regions and some of the tributaries, and, of course, aquatic vegetation management are issues that we hear about

continuously.

MR. PHIL COMER: Mr. Chairman, at our first meeting in Chattanooga we were -- in the audience was a member of the Knoxville News Sentinel reporting staff, and that same reporter is here today. I want to advise all of -- warn all of you, but Jacques Billeaud, who is generally assigned to cover matters relative to TVA and so forth, went back to Knoxville the late afternoon of that meeting in Chattanooga, and the next morning, Saturday morning, March the 18th, before I had had any occasion or opportunity to talk with any of my, quote, constituents, unquote, and I prefer the term

TVA stakeholder to constituent, I picked up the morning newspaper in Knoxville, and on page four of the Section A the headline of that section was, TVA Advisory Group Wants Better Lake Levels.

Before I had time to have breakfast that morning my phone rang and one of the TVA stakeholders called and congratulated me immensely on what enormous success had occurred at the very first meeting and that they felt sure this problem was well along the way to being solved and so forth.

I said, well, Jacques had to get back to meet his deadline in Knoxville and he left before

the last hour and a half of the meeting took place in which he might not have actually had that as the headline had he waited.

In the weeks following that meeting I met with five different civic organizations, constituent groups if you choose to use that term. I really prefer the term TVA stakeholders because, you know, 100 percent of all of the residents certainly of our region are stakeholders. And in every case, of course, lake levels were reiterated as the primary concern.

Using the consensus method, which I had observed at our first meeting in Chattanooga, which I thought worked very well in many ways, I was able to listen to all of the input from all of these five groups that I met with and then really decide to do what I wanted to do, which was kind of a learning experience for me. I think that's kind of a good way.

But all of those groups of TVA stakeholders that I met with urged me, instructed me, and in effect told me to present this proposal to this Council this morning as their input, and I would like to read this proposal from the stakeholders of the five citizen groups that I met

with. It will take me two minutes and 33 seconds, Mr. Chairman, to read this, if it's all right.

MAYOR EDDIE SMITH: Okay.

MR. PHIL COMER: TVA Lake Level Proposal for May 25th, 2000 Meeting of the Regional Resource Stewardship Council.

1: Since TVA has 67 years of empirical data from operating the Tennessee Valley river system, plus over 100 years of precipitation data from the National Weather Service and the

National Climatic Data Center in Asheville, North Carolina, we recommend that the date for "unrestricted drawdown" of the lakes be delayed from August 1 until August 10, beginning with the current fiscal year. This would help the TVA Stakeholders believe that the TVA Board of Directors is sincere in their earlier pledge to take the advice of this Council very seriously. This would at least be a small step in the right direction while TVA undertakes the study it alluded to in the GAO report to Congressman Van Hilleary in May of 1999, and again mentioned on page 17 of the TVA 1999 Annual Report, and I quote, "TVA is gearing up for a system-wide reevaluation of its reservoir-management processes and activities," end quote.

2: We endorse the recommendation made in that same GAO report to Congressman Van Hilleary, and I quote, "That TVA reexamine its policies impacting lake levels and to ensure that TVA's reexamination efforts include consideration of both the costs and benefits of any potential changes to policies impacting lake levels," unquote.

3: In July, 1998, TVA created the

Lake Level Policy Task Force which reported at that time in July of 1998 that a -- and this is TVA's own internally appointed lake level policy task force, reported that a reevaluation of policies impacting lake levels should be initiated within the next two to four years. Since two years of that two- to four-year period has elapsed, we recommend that TVA begin such formal reevaluation promptly.

4: The TVA Lake Level Policy Task Force also recommended, and I quote, "That TVA incorporate public participation in its studies, where appropriate, to ensure the credibility of the studies," end of quote. We recommend that this be done by forming one or more ad hoc committees which would include, among others, members of this Regional Resource Stewardship Council.

Thank you. I have copies of this

recommendation which at the break I will pass out to the members here, and copies that are available to the public, as I believe is required.

Thank you, sir.

MAYOR EDDIE SMITH: Okay. Thank you very much.

MR. AUSTIN CARROLL: Good morning,

Mr. Chairman.

MAYOR EDDIE SMITH: Good morning.

MR. AUSTIN CARROLL: I'm Austin Carroll and I represent, I guess in part, the TVA distributors, and one of the things that we are -- have been very concerned about is what's going on in Congress right now in terms of legislation which could threaten the very existence of TVA.

And I put in front of each one of you a copy of an article from The Energy Daily from just yesterday, and it's a fairly accurate description of what's going on in Congress.

In the Senate Energy and Natural Resources Committee, they are considering a restructuring electric industry restructuring deregulation type of bill. And I almost feel apologetic to everybody here on behalf of the Commonwealth of Kentucky, but we have two senators

up there who are trying to introduce legislation which actually would undermine the ability of TVA to compete in a restructured electricity environment.

We, distributors of TVA and TVA and the Tennessee Valley Industrial Committee, along

with almost unanimity in the rest of the valley and the congressional delegation have reached a consensus on the language which we think would allow TVA to fairly operate in a restructured environment, and we have -- Senators Frist and Thompson and Cochran have introduced this -- our language on the -- on the senate floor.

However, in the committee Senator Bunning has saw fit to put in some language that -- that is not coming from the -- some of it is not coming from the consensus of the valley groups, and we feel it could be very damaging to TVA and we're -- we have some grave concern about that, and we will talk about priorities later, but certainly when we look at priorities I think that's something that needs to be seriously considered.

So, anyway, I just wanted to point out what was going on at the congressional level and build some awareness of this Council about the gravity of those actions which are in the process

there, and hopefully, we can turn that situation around, but right now it's still going forward.

MAYOR EDDIE SMITH: Okay. Do you feel that we need to discuss that at this time or

maybe we need to set our priorities on what we need to do about this?

MR. AUSTIN CARROLL: Whatever, you know, the Chair would like to do, but probably it should come up under the priority session, in my thinking.

MAYOR EDDIE SMITH: Okay. It will help us to deal with it at that point. We are also users of TVA's services too and that's a concern. We will move right on to the Senator.

MR. ROGER BEDFORD: Thank you, Mr. Chairman, and Members of the Committee. Let me first welcome you to Jimmy's and I home state of Alabama here. It's a pleasure to have you here. And I want to thank the fine staff of TVA for that very informative fact-finding mission we went on yesterday and the multi-use opportunities that enabled us to see firsthand on the river.

The stakeholders I have heard from have dealt really with three issues, and I will just touch on them briefly. One is they're concerned

that the role of this Council in no way diminish the abilities for TVA through water management not to be

able to produce power.

As we saw yesterday at Wheeler, and we would have seen if we had gone on down to Wilson, those are the two main hydroelectric dams that produce the most energy for this area. So when we think in terms of water levels and water management, don't think of it just from the side of protecting the environment, but also allowing the mission of TVA to continue to produce power to keep us competitive.

On a more local level, all issues in some ways being parochial, TVA manages four lakes in Northwest Alabama that were formerly managed in part by a state organization, The Bear Creek Development Authority, and the change by TVA involved raising the permit fee from $25 a year to $600 a year and to no longer allow the residents to mow down to the water's edge but to establish buffer zones.

To brag on TVA, they came in and met with local constituents. They modified the land management use to reduce the permit fee back to a more reasonable annual basis and to help the landowners and stakeholders to come in and help work

with them on establishing proper buffer zones, and I

think that's the cooperative approach TVA ought to take.

And the third one is relating more to economic development, that TVA has a lot of properties along the area, in particular in Muscle Shoals. They have several hundred acres there on the site of the old, we wish, was the headquarters, and we hope that we will continue as part of this as we look at TVA's non-power management role to work with local units of government and to help them and economic developers make available facilities that TVA has that won't diminish their ability to conduct their long-range mission, but instead, will enhance it.

Thank you, Mr. Chairman.

MAYOR EDDIE SMITH: Thank you. Mr. Steve Smith.

MR. STEPHEN SMITH: Good morning. I have had an interesting experience. I've had the opportunity over the last couple of months to be doing a great deal of activity with -- TVA rolled out their Green Power Program that a number of us have been working on, and that gave me the opportunity to travel around in preparation for that

and to meet and talk with a number of people.

The Green Power Program, as you know, is where people can actually purchase a small percentage of their power from renewable energy, wind, solar, landfill gas, doesn't have the emissions problems, for small businesses and large companies, and this program actually rolled out April 22nd, and there was an event in Nashville, but in the process of doing that, it's given me the opportunity to talk to a number of people.

The other opportunity I had, several citizens' groups have asked me to come and speak and talk about things. Then I was actually invited to speak to the Knoxville Coal Council. Because of some of the work we're doing on air pollution, they wanted to talk to us about our philosophy on coal and other things like that, and I will share with you some of the insights.

I'll start with the Coal Council. They talked a great deal about protecting the environment and recognizing how their industry is clearly having an impact, and I thought it was a good exchange there, talking about ways to correct that, but there were a couple of fellows there that were in the transport business with the barges and

they did talk to me a little bit about the issues of navigation. And they were, again, voicing concern, wanting to make sure that navigation was not lost in the process.

More in the sort of concept of constituents, I mean, I recognize them as a stakeholder, the constituents are people that have sort of looked to me as an environmental representative. I've had a number of people come to me and ask me about trying to understand what the role of this Council is, what it's going to be looking at.

You know, I think the fact that there was an article that sort of had this headline about lake levels, I have had a number of people come to me and say, you know, they read the Charter and then they hear what we're talking and they're like, is this group just going to focus on lake levels, is that all it's doing.

And, you know, they were -- you know, I was like, well, obviously, there's a lot of people, it's an important issue, it's one of those things. But, you know, I've had some people say, well, if all it's going to do is focus on lake levels, that's going to be a problem, and I don't

think that's our goal and I've tried to tell them that. Obviously, when it's the headline and everything else like that, people become concerned about that.

So they were emphasizing to me a lot of issues, and I have talked to Phil and I've talked to others about this, about how important water quality is. They really do see that because so many people are dependent on this waterway for their drinking water. The water, it plays such a critical role for habitat and a number of things and because they see the growing impacts of development, the growing impacts of -- that we're having on water, water quality was probably top of the things that I have heard from a number of different people in wanting to see how we're going to address that, how we're going to -- how this Council will deal with that. So I heard that repeatedly.

And to a lesser degree, but still a great deal, I heard a lot of people asking about TVA's management of their public lands. There's a great deal of concern about -- people are a little bit shell shocked about the loss of Land Between the Lakes in West Tennessee -- I mean, West Kentucky and West Tennessee, what that means. They are asking

about TVA's commitment to public lands, what -- where is it going, what's TVA going to do.

These are people who -- the folks that are actually interacting with TVA haven't seen necessarily a backing up of TVA's commitment, but people who are less engaged but still use and recreate with TVA public lands recognize the importance.

TVA has a lot of critical habitat that isn't really advertised specifically because you don't want people trampling and destroying some of the critical habitat there, but yet, TVA really plays a stewardship role, and the people that are aware of that have voiced a great deal of concern to me that, is TVA going to back away from its commitment there and other things like that.

So, I guess, I don't run in the same crowd of folks who own property on the lakes, so I haven't heard that one as much. I have been hearing more from, you know, a different diverse set of constituents.

But there's a growing number of people that are beginning to watch us, and I think

as we begin to meet more and maybe as more information gets out, we're going to see that people

are taking a greater interest in this Council. So it reemphasized for me how important what we're doing here is.

MAYOR EDDIE SMITH: Okay. Thank you very much.

MR. JIM SUTPHIN: Thank you, Mr. Chairman. I have nothing new at this time.

MAYOR EDDIE SMITH: Okay.

MS. MILES MENNELL: I have heard comments from local governments throughout our Tennessee Valley Region. We represent all the counties and municipalities in the region. I am just going to briefly touch on the various comments they have raised to me, the concerns.

The issues that our local governments consider as priorities are, of course, Green Power, and the commitment that we, as a community of the Tennessee Valley, need to be making towards doing what we can to ensure that we protect our quality of life for the future. Shoreline management and the permitting process and the cost of that have -- are issues that have been raised to me.

I have heard from my constituents about water intake issues, their concern about what we're going to be doing in terms of protecting our

river resources and our energy resources, reservoir levels, and in a moment I am going to share with you a letter they have served from Congressman Charles Taylor of North Carolina, which he has asked me to present to the Council this morning.

Aquatic weed control is a primary consideration and concern of our constituents, mosquito control, the stewardship role of TVA. Our members are concerned about TVA's continuing to honor their commitment to stewardship and to be allowed to do so. I have received comments about the Council, and our members see this as a very important opportunity to have input into policy-making by TVA, and they are taking this very seriously.

Federal funding is another issue that has been raised to me. We're concerned that there are no federally appropriated dollars, and that's something that my members would like for us to address. Chickamauga Lock, Kentucky Dam Lock, the

21 integrated management of the Tennessee River System,
22 and, of course, deregulation. And we are also very
23 concerned about the amendment that Senator Bunning
24 from Kentucky has introduced.
25 So that's just sort of a laundry list

1 of issues that have been brought to me by our
2 various members, and with your indulgence, I would
3 like, though, to share this letter from Congressman
4 Taylor.
5 MAYOR EDDIE SMITH: Okay.
6 MS. MILES MENNELL: Dear Chairman
7 Smith and Council Members: I am writing at the
8 request of the Swain County Commissioners to express
9 my concern with the timing of the seasonal drawdown
10 of Fontana Lake by the Tennessee Valley Authority
11 (TVA).
12 For over 50 years, the Tennessee
13 Valley Authority has impounded the waters of western
14 North Carolina to produce economic benefits for
15 other states downstream from our mountains. TVA has
16 achieved tremendous success harnessing the power of
17 the Tennessee River and its tributaries. Downstream
18 benefits include flood control for cities in
19 Tennessee, Georgia, Alabama, and Mississippi,

electricity for much of the Tennessee Valley and navigation for Tennessee and the Gulf States. Little, if any, of these benefits are enjoyed by the people of Western North Carolina. Those living nearby profit only from the recreational opportunities provided on dam projects, lakes, on

surrounding lands, and downstream waters.

Three of the Tennessee Valley Authority projects lie in the 11th Congressional District of North Carolina; those being Hiwassee, Chatuge and Fontana. All three of these projects are managed principally for hydroelectric power production and water supply, and as such, are subject to the August 1 drawdown, with lake levels fluctuating annually 11 to 50 feet. Last year the impacts of these lakes were greater because the seasonal drawdown began in mid summer instead of August.

Fontana Lake is located in Swain County, where 85 percent of the land is under federal influence, leaving only about 66,000 acres in private ownership. The county's ability to attract new industry is diminished because there is

little land remaining for development. Swain County depends heavily on tourism, its largest industry employing about 800 people. This dependency leaves Swain County one of the poorest in the Southern Appalachians with its poverty level at 25 percent and unemployment above 20 percent. Last year the county realized only $43 million from tourism while for the same period the total was over $100 million

on the Eastern Band of Cherokee Reservation.

It is evident that recreation connected with these lakes is central to the overall economy of the area. Recreation at Fontana Lake is extremely important for Swain County and maintaining lake levels higher for a longer period and resisting an inopportune drawdown would certainly enhance fishing and bring more tourism dollars to the area. Indeed, a 1991 economic analysis indicates that delaying the drawdown until after Labor Day would add 780 new jobs in the three county area.

I appreciate the work being done by the Resource Council and hope that in your discussions of TVA dam projects, operations, you give greater consideration to recreational experiences and water quality. I urge you to

consider also the economic burden imposed on communities by the current drawdown policy and request that Labor Day is the preferred alternative target for management of lake levels with the TVA system. I stand ready to assist the Council and the communities of the Tennessee Valley in the examination to this important issue. Sincerely, Charles H. Taylor, Member of Congress.

And I present this on behalf of Bill

Forsyth from Cherokee County, North Carolina, and on behalf of the Association of Tennessee Valley Governments.

MAYOR EDDIE SMITH: Okay. Thank you very much. I believe we -- you came in later. Do you have any comments?

MS. ELAINE PATTERSON: Yes. I heard back from the gentleman from the towing company just talking about, again, the concern for adequate river levels for barge navigation on the river, and also infrastructures like the Chickamauga Lock, so that continues to remain a navigational concern.

From the industrial side the concern is the summer power supply, having adequate

electricity throughout the summer. So those are the two issues.

MAYOR EDDIE SMITH: Okay. We would like to thank all of you for your comments. So we hear a lot of the issues that we will be flushing out as we get into setting priorities. So we will be dealing, you know, with those later on as we move into the day.

Did I miss somebody?

MS. JULIE HARDIN: I think Ann Coulter came in.

MAYOR EDDIE SMITH: Okay. I'm sorry. I didn't see you coming in.

MS. ANN COULTER: I was late because I gave myself an unexpected tour of Downtown Huntsville this morning getting lost between that hotel and this one. Although it was a pleasant trip, I apologize for being late.

MAYOR EDDIE SMITH: Okay.

MS. ANN COULTER: I don't have a constituency the way a number of the folks do, but I did contact some of our local elected officials, our Mayor and County Executive and some other people who I know do represent constituencies, and I didn't

14 hear anything that I haven't heard before or that
15 hasn't been mentioned by council members today or at
16 the last time we met.
17 It's a little bit hard to explain to
18 people what this Council is and what it aspires to
19 do. Obviously, we're still learning and developing
20 that ourselves. So I think there is a lot of
21 interest in what role this group plays and what
22 responsibilities it will have and what kind of
23 recommendations will come forth and how those will
24 be treated in the system.
25 I was contacted by our local

1 congressman's office who had a question with regard
2 to how members of the public could be heard by the
3 Council and was able to give him some information
4 about that and some contacts for how the
5 congressman's office could respond to people who
6 were beginning to hear about the Council and wanted
7 a way to have some input.
8 So I think as this Council moves
9 forward and begins to get a sense of itself and what
10 it's going to be able to do, then certainly for me
11 the contacts I have among the people that I more or

less loosely represent here will be more meaningful.

Thank you.

MAYOR EDDIE SMITH: Thank you. Did I miss anyone else?

Okay. We will get into some of these issues a little later in more detail. We sent the Minutes out to you and you've had a chance to read them, do we have any corrections on the Minutes at this time?

MR. PHIL COMER: I don't have a copy of the revised Minutes.

MAYOR EDDIE SMITH: Okay.

MR. PHIL COMER: Mr. Shupp does not have a copy either. Are you sure everybody has a

copy? See, we received in the mail a draft but apparently --

MS. JULIE HARDIN: They were also on our place today.

DR. KATE JACKSON: There was a copy at your place.

MR. PHIL COMER: Well, there wasn't one at my place, Kate. I'm sorry.

DR. KATE JACKSON: Well, you have one now.

MR. PHIL COMER: Okay. Thank you.

DR. KATE JACKSON: If anybody else is missing one, let us know.

MAYOR EDDIE SMITH: Okay. We also have them on the website too.

MR. PHIL COMER: Mr. Chairman, having it on the website is not a substitute for having them now if you're asking us to approve them.

MAYOR EDDIE SMITH: Well, no, no, I understand. I was just --

MR. PHIL COMER: The reason I am interested in seeing it before being asked to participate in approval is the draft copy that I received last week and was asked to respond within four days if I had any suggestions, I definitely had

some suggested inputs, and therefore, I was curious to see if they had been incorporated, and they have.

Thank you, sir.

MAYOR EDDIE SMITH: Okay. So --

MR. ROGER BEDFORD: Mr. Chairman?

MAYOR EDDIE SMITH: Yes.

MR. ROGER BEDFORD: I move to give the Minutes approval.

MAYOR EDDIE SMITH: Okay. Well, if we don't have any additions to that, we will just do it by consensus if there's no corrections. We're kind of -- we've been trying to stay away from voting.

If there is no further corrections or additions to the Minutes, then we will assume that we have a consensus and approve the Minutes. Okay. Thank you very much. Appreciate it.

Okay. The next thing we want to get into is some of the issues. You know, we did the survey, and I think as a result of that survey the news headlines came out, and I was a little bit surprised when I got the news article also saying that we had done that, and so at this time we're going to ask Jim Creighton to -- well, a couple of things happened.

One is that we did not have responses from the survey from all of the members of the Council the day of the last meeting, so we have got some additional responses, and we're going to ask Jim to give us an update on that now. So we will turn it over to Jim at this time to do that.

MR. JIM CREIGHTON: You should have

at your desk something called, A Summary of Questionnaire Results. It looks exactly like the last one, only the points have been changed. We did receive five or six additional surveys in.

And let me remind you that the purpose of this, this is not a binding vote. This was just an effort to gather the information on what your sense of priority was quickly and easily so that you can have something in front of you when you begin, but it's like a straw vote. It's an indicator. It's not intended in any way to be binding on you.

The lake levels are still clearly the lead candidate by 80 points, something like that, and so forth. And as you remember, the way this is worded, when I put the -- tallied up the points I made some judgements as to items that had different wording, and I have shown what the wording was

underneath, so you can second guess me if you don't believe the wording was appropriate or I put it in the wrong category.

Lake levels is still No. 1. Public land management, which was No. 2 before, remains No.

2. One thing I would point out is that public land management has -- could easily have been combined with things like shoreline management policies, even some of the recreation issues are clearly tied in, the -- some of the quality of life and even economic development issues are closely related to how the land is managed and so on. If you considered all of this a packet, then you would have an item that would have an awful lot of points.

The Chickamauga Dam moved up dramatically, particularly because one individual gave 80 out of the 100 points to that item. It's not an item that's on everybody's screen at this time, but it is very clearly a very significant issue to some of you. Water quality moved up significantly as an issue.

So that's just a quick sense of what happened as a result of the five or six -- also, the funding of stewardship activities, which actually hadn't been included on the list, gained a number of

points as a result of the additional submissions, but this is just to give you a sense of people's priorities, it's still very much up to you how you want to handle it.

MS. JULIE HARDIN: Jim, just to summarize, you're saying that lake levels is still No. 1 priority, right, lake levels?

MR. JIM CREIGHTON: That's correct.

MS. JULIE HARDIN: Then you're saying that shoreline management and public domain land management is still No. 2?

MR. JIM CREIGHTON: Well, public land management is a standalone item. Shoreline management is at the top of the next page. All I was pointing out is you could choose to combine them, and if you did, you would have an awful lot of points. This is kind of an artifact of the way I split up the categories and --

MS. JULIE HARDIN: Do we have a No. 3?

MR. JIM CREIGHTON: Well, right now Chickamauga Dam or water quality, depending on how you read the data.

MS. JULIE HARDIN: Okay. Thank you.

MAYOR EDDIE SMITH: Any other

questions on the survey? What I think we need to do now is to move into trying to focus on the -- some

of these issues of priority. And with the survey, it's divided into several different categories, we may need to look at trying to combine some of these items under one item and set priorities. It seems to me that when we deal with lake levels, we have got to think the total system rather than one component of the system.

So what we want to do now is to go around and try and Jim is going to -- is going to try to come up -- what we want to do, first of all, sort of a brainstorm process where we will really try to get the issue on the chart, and then we will come back and work through it without a lot of -- after we have gotten them up there. So we will begin that process at this time.

MR. PHIL COMER: I am not sure I really understand. Jim, could you clarify what --

MR. JIM CREIGHTON: I think what we are after is some of you have -- in fact, I've seen some people saying, oh, there's two or three issues we need to talk about and they are X and Y. I just wanted to capture some of those options up here so we --

MR. PHIL COMER: Is it out of order

to reiterate what has constantly appeared; and that is, lake levels? I mean, you know, if we're asking for a further process of what has now occurred twice with 17 people responding, let me suggest lake levels, again, have very high priority for this group to act on, and we now have a proposal to be considered.

MAYOR EDDIE SMITH: Okay. That's one.

MR. JIMMY BARNETT: Mr. Chairman?

MAYOR EDDIE SMITH: Yes.

MR. JIMMY BARNETT: I have zero problem with considering lake levels or any of these particular points, but I have a problem though in considering them as standalone issues simply because it is integrated.

We saw the integrated computer simulation that Kate had her folks show to us, and I was impressed by it because it pointed out graphically and visually how the things were related. I have a problem with the basis of that particular study, not that the basis at the time it was developed was not accurate or illustrative, but is it applicable now because that's roughly ten

years old, the data? And I understand that TVA is in the process of making some upgrades on that particular study.

For me to make a decision on lake levels or water quality and everything else, given the fact that it's integrated, I would need to see the updated data, which is time-consuming, I assume, to produce and have it all put in for the entire river system, not just for the lakes up in the eastern end.

Once that study is done, then show me this, prove to me that the data is accurate, which I would assume that the people -- the quality of the people doing it would make it accurate, but from the mathematician in me and engineering in me, I would like to see some things and know that.

MAYOR EDDIE SMITH: I think what we're trying to do now is to try to identify, and I think I agree with you, that we can't just pick out one component. So as we go through this process of identifying the various topics, then it's going to take us awhile to hammer out the specific topic.

MR. PHIL COMER: Mr. Chairman?

MAYOR EDDIE SMITH: Yes.

MR. PHIL COMER: Since I seem to be

identified as the lake level advocate, I would like to totally agree with what he just said. I think this will help clarify the fact that everything Jimmy just said as a lake level, quote, advocate, I agree with everything he just said, that it cannot be viewed by itself. It is an integrated system, and it must be viewed that way in terms of the totality of it, not just the 13 tributary lakes, but the whole system and all six factors that TVA is responsible for in managing an integrated system.

So I think it's important to clarify that there is no conflict here and this is why this proposal, Jimmy, which I realize you have not had a chance to read it and I will pass it out at the break, purposely avoids being definitive about the changes, except for a ten-day little extension to encourage us all, to give us some hope, but except for that, Jimmy, this whole proposal is not quantified or definitive in terms of change. It is urging TVA to move ahead with the process of restudying the whole thing. There is no conflict here.

MAYOR EDDIE SMITH: Excuse me. The process, I think, once we have got everything identified, then we understand we have got to go

into a lot of details before we can make any of these decisions.

So what we're trying to do at this time is to try to identify the issues that we have to deal with, and then we will organize this afternoon how we're going to do it and get all the information and hopefully set up subcommittees and all that thing to deal with it.

So that's what we're trying to do now is get it on the board, because I am hearing you say that the lake level by itself is too narrow of an issue, that's something we might need to come back to and expand on as we go through the process.

Let's see. Is there any other issues we want to add up there besides those?

MS. MILES MENNELL: I think that we need to add the restructuring of the electric utility industry to our considerations as a broad overall topic because of the variety of impacts that restructuring is going to have on stewardship or how we handle lake levels or how we handle aquatic weed management. But I think that we need somehow to address that topic as introduced by Austin also as an overview topic for our consideration, because so much of what else we're dealing with is going to be

directly impacted and affected by whatever changes in the industry are enacted by Congress.

MAYOR EDDIE SMITH: Restructuring of the --

MR. JIM CREIGHTON: With your permission, the way I'm proposing to write it down is the impact of restructuring on stewardship activities. I'm aware that topic kind of runs close to the edge of the mandate, and I am trying to cast it in a way that keeps it within the mandate; is that acceptable?

MS. MILES MENNELL: Cool.

MR. AUSTIN CARROLL: Mr. Chairman, what's going on in Congress right now is really kicking at the foundation of TVA and unless -- well, if the Bunning amendments prevail, it's going to be difficult for TVA to have funds to manage lake levels or do any other kinds of stewardship, recreation-type activities.

So I think it's fundamental, and it's probably something that came up after, just due to recent developments, and it actually came up after the survey was done. It's not -- you know, it's not

24 specifically pointed out on here, but it's something

25 that I think we have got to be concerned about in

1 the Tennessee Valley or the rest of this stuff is

2 going to fall by the wayside.

3 MAYOR EDDIE SMITH: So as we have

4 listed it there as a restructuring issue, is that

5 adequate for us to get --

6 MR. AUSTIN CARROLL: Yes, sir. Thank

7 you very much.

8 MR. JIM CREIGHTON: And let me point

9 out, the way we have got it worded on the

10 questionnaire was just that's the way it came to us.

11 We are sort of asking you now if you want to

12 repackage them and group things together and so

13 forth, what are your proposals?

14 MR. ROGER BEDFORD: Mr. Chairman?

15 MAYOR EDDIE SMITH: Yes.

16 MR. ROGER BEDFORD: I would like us

17 to think in terms of public land management that we

18 also include in public land management the

19 recreation/tourism aspect of it, which I think also

20 should encompass the economic development

21 opportunities for the TVA stewardship program.

22 MAYOR EDDIE SMITH: So land

management with a lot of other things related thereto.

MR. JIM CREIGHTON: Recreation and

shoreline management.

MAYOR EDDIE SMITH: Okay.

MR. JIM CREIGHTON: It's kind of a package, public land management, recreation, shoreline management, tourism, economic development.

I don't know whether you said shoreline management. Did you intend it to be in there or not?

MR. ROGER BEDFORD: No, I didn't.

MR. JIM CREIGHTON: Do you want to take it out?

MR. AUSTIN CARROLL: I'm not opposed to it.

MS. JULIE HARDIN: I think public management and shoreline management are really two different things.

MR. ROGER BEDFORD: I think the lady is probably right.

MAYOR EDDIE SMITH: Okay. Do we have any others?

MR. STEPHEN SMITH: Water quality.

MAYOR EDDIE SMITH: Water quality.

MR. AL MANN: You could say water quality has a great bearing on lake levels, I mean, they go hand-in-hand.

MS. JULIE HARDIN: Maybe it should be lake levels/water quality.

MR. PHIL COMER: Well, it's all six.

MR. AL MANN: Yeah, I mean, what is done here, the summary of the questionnaire, I mean, I see nothing wrong with it. I mean, the question is, what order do you want to address them, I guess? Is that what we're trying to do, the order in which --

MR. STEPHEN SMITH: I guess the reason I -- I mean, I clearly see that there is a component of water quality associated with lake levels and vice versa. I think there are water quality issues that are completely independent of lake levels. So I think that when you're looking at -- I think that there is enough there that needs to be addressed --

MR. AL MANN: On its own.

MR. STEPHEN SMITH: -- on its own,

20 and then there's a subset where they interact, and
21 clearly there needs to be -- and that's the way all
22 of these issues are.
23 MR. AL MANN: That's right. But are
24 we trying to divide it here in the order of which
25 we're going to address them, is this what we're

1 trying to do?
2 MAYOR EDDIE SMITH: After we get our
3 list down, then we come back and refine it. I think
4 some of the topics will have to be expanded.
5 MR. AL MANN: Basically our list is
6 right here.
7 MR. STEPHEN SMITH: My sense is, and
8 correct me, Chairman, if I am wrong, is that, you
9 know, obviously all of these issues are critically
10 important. We could have a different set of faces
11 around the table and the number of, you know,
12 priorities would change. But with what we have got
13 and who we have got, we have got to, it seems like,
14 break it down into a manageable piece of what we can
15 actually address.
16 And it would seem to me that three or
17 four of the topics are what we can undertake and

18 begin to make real demonstrative and tangible
19 progress in, and it's not neglect to anything else.
20 I mean, we all know, and as we learn
21 more, I mean, TVA has got a lot more people than us
22 in the room working on this stuff that's very
23 complicated, and I think what we have got to do is
24 get it into bite-size pieces that we can manage.
25 That's my sense of what's happening

1 here is sort of not to dismiss or take away from any
2 of the other issues, but to say, okay, what we can
3 now go forward and actually address in some detail
4 so that we can get a sense of accomplishment as
5 opposed to just continuing to walk around this big
6 ball and not really be able to figure out how to get
7 inside.
8 MS. JULIE HARDIN: And we can
9 structure subcommittees to start tackling
10 practically?
11 MR. STEPHEN SMITH: Right.
12 MAYOR EDDIE SMITH: Right.
13 MR. BRUCE SHUPP: Mr. Chairman, I
14 think it would be helpful, before we make decisions
15 on what we're going to tackle or how much we're
16 going to tackle, if we talked about the expectations

that we have as committee members and that TVA has looking at the Council of what -- of what we expect -- each of us expects from this Council to achieve and what TVA expects this Council to achieve, and I think that would give us some insight into how much we can bite off and how much we can really dig into when we think about how deeply we will have to get into these issues and what role we each will play and the Council will play in

achieving the deliberation on these issues.

So I think we should talk about that, and I think it would be a very productive exercise if everybody would tell us what they think we're going to be doing and how we're going to be doing it, particularly what TVA expects us to be doing.

MAYOR EDDIE SMITH: Okay. My understanding is that TVA expects this Council to identify -- you can help me out, Ms. Jackson, but to identify these issues that's been here and try to come up with some recommendations to them on those issues, and then they will make decisions after that. That was the mission, as I understood it when I accepted it as a member of the team, that we would

15 look at issues that's concerning TVA, and these are
16 issues that's concerning them, and make some
17 recommendations on what we think would be helpful to
18 that process.
19 MS. JULIE HARDIN: I see that our
20 mission statement of purpose is really for us to
21 determine that. I'm not sure we are here to do what
22 TVA expects us to do.
23 MR. PHIL COMER: I agree. That's a
24 very important point.
25 MS. JULIE HARDIN: I think Kate

1 Jackson has made that very clear, that we are our
2 own group and we will do what we think is imperative
3 to be done in terms of feedback, feed forward,
4 whatever.
5 MAYOR EDDIE SMITH: But my
6 understanding is that we are an advisory council
7 that would make recommendations, and that's what we
8 have been instructed, as I understand it.
9 Now, how we -- you know, we can do a
10 lot of things ourselves, but we have to make --
11 whatever we do we have to come back with a
12 recommendation. So what we're trying to do now is
13 to try to identify in some specific kinds of ways

three or four issues that we will want to deal with and then set up the process to do that. That's what I -- that's what I am thinking that we're trying to do. I may not have answered your question, but that's what --

MR. BRUCE SHUPP: I think I didn't express myself properly. I think what I am trying to drive at is I think we have to discuss how we're going to arrive at those recommendation. Yes, we're here to provide recommendations as an advisory council, how are we going to do that? How do we get the input to explore that?

MAYOR EDDIE SMITH: Okay. Let me explain to you what we're trying to do today. We are first trying to identify those issues, and this afternoon is going to be devoted to how we're going to do it.

MR. AL MANN: Are these not the issues?

MAYOR EDDIE SMITH: Well, yes, they are, but the question is, can we deal with them as they are listed out here in nine or ten different issues. We need to try to define them down and

maybe combine some, and I think that's what we're trying to do now.

MR. AL MANN: Okay. So you're thinking that we can combine some of these.

MAYOR EDDIE SMITH: Yes, sir.

MR. AL MANN: And we're only trying to identify those which we can handle today?

MAYOR EDDIE SMITH: No. No. We're trying to identify -- my personal -- now, this Council will have to decide that. My personal opinion is that we need to try to identify at least three or four that we want to set top priorities on.

MR. AL MANN: Oh, okay. All right.

MAYOR EDDIE SMITH: And set up some

structure to begin to do that this afternoon, and that's what we're trying to do. And personally I think on -- and this is my own opinion, I know Phil has a strong feeling on lake levels, I think that's too narrow, we need to expand that to include the river management, that whole system.

MR. PHIL COMER: I have already made it perfectly clear that I do include that and it is included in this proposal.

MAYOR EDDIE SMITH: Can we -- other

than just saying lake levels --

MR. PHIL COMER: I think if, given the opportunity after the break for individual members to read this proposal, they -- is this thing working?

MAYOR EDDIE SMITH: Yes.

MR. PHIL COMER: I think they will see that it totally is aimed at including the six integrated, that it has to be, I couldn't agree more strongly. And I share Al Mann's bafflement as to -- you know, it seems to me that the one, two, three, four, five issues have been made repeatedly clear.

And may I also make this comment which bothers me. This Council is set up to live for 24 months, two of those months are already gone.

And if we spend a lot more time talking about what are the issues to talk about, what are the issues to talk about, and then another half day on how to get at them, our time is going to be gone.

And we have all, I think, agreed at our first meeting, we're not going to keep meeting monthly for the next 22 months. We're going to soon after another two to three to four monthly meetings

move to less frequent meetings. In fact, there are people here who are frustrated that they're too frequent already.

So I don't understand this long-range planning thing. Twenty-two months by my time frame is not long-range planning. We need to really go ahead and come to grips with one or two or three of these issues, all of which are very important.

MAYOR EDDIE SMITH: Okay. Phil, I want to ask you a question, if it's acceptable to you, instead of having this listed as lake levels up here as a topic, to list it as river management?

MR. PHIL COMER: No, that is not acceptable. I think that -- I think that lake levels has come up again and again and again, and also, TVA, in its own internal organization back in late 1997 or early 1998, have internally created a

TVA Lake Level Policy Task Force. They have used this terminology internally. They have used it in creating a budget for that purpose. It's talked about in the GAO report. It's referred to in their annual report, the terminology used is TVA Lake Level Policy Task Force.

To reiterate, and again, to strongly

agree with what Jimmy said, this is -- there's no way that we're advocating that you look at lake levels as an isolated thing. It has to be part of the total integrated management system.

But that's a common terminology, and it's what our, quote, constituents-stakeholders talk about, talk about, talk about, talk about incessantly, certainly in the end of the three states where the 13 tributary lakes exists. That's 41 counties out of a 152 counties in the total TVA region.

So, no, from my standpoint it's not acceptable to change that to a different terminology. I think that's foreign to what has come forth and it's foreign to what TVA's own internal terminology is.

MAYOR EDDIE SMITH: Okay.

MR. ROGER BEDFORD: Mr. Chairman, I

might just ask that we step back for just a moment before we all try to get locked into being overly protective of one issue or another, because obviously they all relate together, we all agree on that.

What I would hope that would be at the end of the day where we would be, and I just speak for myself, but I seek input from the Council about this, because all of us have demands, all of us have expectations of our roles here, but it would be my hope that we're not right at this moment trying to rank the order of importance, but what we're trying to do is further refine the earlier topics that were done through the survey, combine those which are natural fits, and then at the end of the day we have subcommittees to address these issues. Find a way to reach out to a broader public involvement through those subcommittees, and then bring that input back to where at some point in time, if this Council chooses to rank them in order of importance, that's fine, but I don't see today the objective to be to say, this is the most important issue or this is the most important issue, because all of these issues are important.

What I would hope we would do is come

together and try to find a methodology to address them since we know we have an ending date and all of us want to have a meaningful product at the ending date, and to do that is going to have to involve

some type of methodology to address the issues, refine them, and then allow the subcommittees to work and come back to the body as a whole, and at that time we will take the next step.

MR. PHIL COMER: Roger, I believe, if I am reading the original -- and I don't know what correct terminology to use here, but the Charter for this committee, TVA is the only one who is empowered to appoint committees. I would like a clarification on that.

When we keep referring about we're going to form subcommittees this afternoon, and this, that, and the other, I do not read anywhere in the Charter that set this advisory committee up under the Federal law that was passed in 1972, I believe TVA has reserved to itself, incidentally quite properly, quite properly, the appointment of any committees. We may suggest and we may recommend and they are the --

DR. KATE JACKSON: And let me clarify that for one moment, and I assume that our counsel

is in the room and he will speak if I speak in error.

My reading of the Charter, and our intent in putting the Charter together, was to provide the Council the ability and the facility to establish subcommittees to address issues. TVA holds the responsibility and accountability for formally appointing members additional -- additional members beyond the bodies around this table right now to fill out or balance some of those subcommittees.

Our guidance to you, which we will talk a little bit in more detail later, would be that you can determine to establish subcommittees to work on particular topics.

Do you want to add anything to that, Barry?

MR. BARRY WALTON: Just a little. You're exactly right, that we have held sort of a legal last tool, only we can push the button to make the subcommittee work, but that's not the approach.

We all know that this Council will want to accomplish at least some of its business through subcommittees, and I think we're going to share a vision to get to a point where those

subcommittees will be ones we all agree on will help

you do your business.

MR. PHIL COMER: But you do agree that that was not stated per se in the --

MR. JIMMY BARNETT: In the Charter, but the --

MR. PHIL COMER: -- Charter that we were handed? I'm hearing this for the first time.

MR. BARRY WALTON: But in the first instance, the Council must decide what kinds of subcommittees would be helpful to it, and I think that's what you're being invited to do today. And, I mean, I don't see a conflict here at all.

MS. JULIE HARDIN: Or we could call them task forces.

MR. JIM CREIGHTON: Phil, you probably don't know this, but I've been working with TVA to try to come up with something that balances their interest with the Council's interest and have kind of a proposal to lay on the table for you this afternoon.

Did that subcommittee memo get passed out, Sandy?

MS. SANDRA HILL: Yes.

MR. JIM CREIGHTON: There should

be -- in your packet on the desk, there should be a subcommittee document that I will go through with you this afternoon. Basically the approach was to avoid nasty surprises where TVA would --

MR. PHIL COMER: When were we given this, Jim, just today?

MS. JULIE HARDIN: At your place.

MR. PHIL COMER: But today?

MR. JIM CREIGHTON: Yes. I will go through it with you this afternoon and review the logic behind it and so on. It was something we planned to cover this afternoon.

MR. BARRY WALTON: To put it in a little more perspective, the Federal Advisory Committee Act that I spoke about the last time puts all kinds of authority in the hands of a federal agency and the designated federal official.

I mean, only TVA can call a meeting of this Council, only TVA can approve the agenda of this Council, but obviously you guys get to decide when you want to meet and mostly what you want to discuss, and we're not going to stand in your way on that.

The subcommittee is just one more aspect of how you do your business. So it will be

an interactive process, and, yes, as a legal matter we have to -- at the end of the day we also have to approve it, but it's your responsibility to come up with a responsible, workable way of approaching your business.

MR. PHIL COMER: I would appreciate in the future getting these kinds of things in a little more timely fashion. I think we have had two months since we met in Chattanooga, and I really, you know, frankly do not consider this a really admirably professional approach to hand out setting up subcommittees, and, you know, two pages of new instructions at the meeting.

I don't see any reason in the world why this could not have been mailed a week ago or ten days ago so that we would have had some chance to have read it and be somewhat familiar with it before taking time out of a one-day meeting of very busy people.

MR. JIM CREIGHTON: I will take the blame for that, Phil.

MR. PHIL COMER: But in the future -- it isn't just a matter of taking the blame and we're not trying to flagellate anyone, but in the future I really would -- the same as getting the Minutes, I

think they were -- I think two months was far too long to wait before getting a draft of the Minutes and then having to respond within four days. I think we should get the Minutes of these meetings within a week or ten days if we're going to meet a month from now, and this sort of thing is, frankly, inexcusable in my experience.

MAYOR EDDIE SMITH: Okay.

MS. MILES MENNELL: I would like to move the conversation off this particular topic and back to what we're discussing. I think it's very important, I think we're losing time, and I think we have all -- those of us with specific interests have made themselves clear.

I would like to say, I think this is a great process. I think that we need to address obviously the integrated management of the river, and topics in that that I would like to see covered under that umbrella of interest include lake levels, aquatic weed control, and there are a variety of other issues that we're all going to bring to that, but in identifying broad categories, I think this is very productive and I think this will save us time.

And given the constraint of our 24 months, I think we need to move off dealing with

these specific small issues, while they are not small to my constituents or to yours or to our very individual constituents, and arrive at broad categories.

So I vote for integrated river management, I think that's a very important issue, and I think that's critical to the continued stewardship of the Tennessee River that enhances our quality of life in the Tennessee Valley. So I certainly would say that, yes, that's something that my constituencies and my members would want very much for us to address in detail.

And lake levels obvious -- or reservoir levels, excuse me, I know better, would be a primary consideration, as would mosquito control, aquatic weed control, navigation issues, including the Chickamauga Lock. There are a myriad of issues, and obviously the subcommittees dealing with that is going to have to have some latitude in prioritizing what they address.

And again, let me say that restructuring impacts on stewardship activities is another topic that's very important to me, water

quality, and I would like also for us to be included under some topic, and I'm not sure where, but

looking at Green Power and alternatives to -- you know, give me the right word, Stephen. So if I may be so bold so we can move off this particular conversation and get back to this.

MR. PHIL COMER: Here, here. Here, here. I yield, Madam.

MS. MILES MENNELL: Yeah. Thank you, Phil.

MAYOR EDDIE SMITH: Okay.

MS. ANN COULTER: Mr. Chairman, I have a suggestion to make that may make the rest of you wish I was still driving around Downtown Huntsville, but as I go through this list it appears that -- I think part of the difficulty I am having with this discussion and a similar one we had in Chattanooga is that we're kind of looking at apples or oranges, I think, a little bit, and yet, we're trying to make them all the same kind of fruit.

I think what we're dealing with are end products and crosscutting issues, and I think it might be helpful if we were to identify those end products, which I would define as uses we put the

23 river system to, and then define the crosscutting

24 issues that interact with all of those things.

25 And just penciling out my own list of

1 those things based on this list and the discussion I

2 have been hearing, I would suggest that there are

3 four products or four uses that we put the river

4 system to, those four being recreation, power

5 production, navigation, and flood control, each of

6 those, of course, being quite broad.

7 And then somewhat separate from those

8 but integrated as the discussion has indicated are

9 four of those -- four broad crosscutting issues,

10 those four being water quality, land/river

11 management, water levels, and then dams and locks.

12 You know, I don't know how we can use

13 that going forward in this discussion, but I

14 think -- I mean, I know for me that part of the

15 confusion is we're trying to treat end products,

16 such as navigation or an overall use, such as

17 navigation somewhat similar to a crosscutting issue

18 like water quality. I'm not sure we can

19 productively deal with this list that way.

20 So just, you know, to offer a

21 suggestion of trying to separate those two and then
22 either focus on one set, the sort of uses the system
23 is put to, recreation, power production, navigation,
24 and flood control, and then as you might address
25 each one of those understand how all of those

1 crosscutting issues affect that end product.
2 For example, with, say, power
3 production, somewhere in that you have got all of
4 those crosscutting issues, the land and river
5 management, the water levels, and so forth,
6 navigation, or that we -- that instead of starting
7 there with, for example, the end products, that we
8 look at each of those crosscutting issues and then
9 let those end products sort of emerge from it.
10 And in that case, you may start with
11 the issue of water quality or lake levels, I don't
12 think it really matters where you start, as long as
13 you address each of those crosscutting issues, and
14 then understand within that issue how that impacts
15 that end use, such as navigation or flood control,
16 recreation or power production.
17 MS. JULIE HARDIN: You know, I think
18 we need to remember that we are a stewardship
19 council over our regional resources. What does

flood control have to do -- is that a resource? Navigation, is that a resource? Question.

MR. PAUL TEAGUE: Mr. Chairman, we all agree, TVA, our mission is a complicated, integrated system. I feel like we're a bunch of minnows in a bucket flopping around trying to

reinvent the wheel. We have got issues here. We have got it handed out to us. All we're doing is manipulating these around a little bit. It's really not necessary. We have got issues.

Our No. 1 issue is on the board. This is brought from our constituents. All of these issues can -- none of them can be discussed independently of the others. All we need is an entrance to start to get at the meat of this issue.

When we start talking about land lake drawdowns, levels, we have got to discuss alternatives and compromise. I think the word is compromise where we will end up with a solid good byproduct.

No issue -- and I have even got concerns about these subcommittees, because if you put a subcommittee they are -- we found out by our

models that we ran into last time, when you impact one thing here that's good, you're going to impact something over here that's not so good so that you cannot discuss these issues independently, they all have to be.

So let's get on with the show. Let's get into the guts of what we're trying to do. Let's use levels as an entrance to the guts and discuss

it, make a consensus on what the plus of this is, how it's going to impact energy, how it's going to impact navigation, and come to a consensus on it, because none of them can be discussed independently. It has to be integrated, and it's time for us to get started on it, I think.

MAYOR EDDIE SMITH: I have been trying to give everyone a chance to express themselves. We wanted to see if there's anything to be added to this and if this is what we want to do.

MR. W. C. NELSON: Mr. Chairman, I can't agree any more with Paul. I agree completely. I think we need to start the discussion. I think all of this tossing of issues to try to get your issue to the top is wrong. We can sit and talk all day and we won't accomplish anything. We will leave

today with nothing accomplished.

I think once we start a discussion it will lead to every facet that we want to discuss, and I think we need to start or we're not going to accomplish anything. We need to start into something and get to doing something to accomplish our goals.

MAYOR EDDIE SMITH: Is this what we want to start on?

MR. JIMMY BARNETT: We need an action plan to do something. I have a question of Kate. How long would it take you to do the integrated study like you did in '90 beginning right now?

DR. KATE JACKSON: It would require an environmental impact statement. It would require substantive and meaningful public involvement. It also requires tools development, technical computer models that would help us begin to attach financial value to issues such as navigation channel changes and flood control changes. We estimate somewhere in the order of about five years.

MR. JIMMY BARNETT: Much longer than our two-year term or any reasonable extension

thereof. So I suppose we would have to go to the existing one for our particular two-year tenure.

DR. KATE JACKSON: Well, let me address this a little bit. One of the things that's critically important in our ability to be able to frame the question that we will be addressing in any kind of reservoir system reexamination clearly entails lots of substantive input from a broad array of stakeholders. And to some extent, the ability of this group to come together and talk about those issues in ways that we can't convene another group

to do, that's really important.

In addition, it's really important for us since we do not go through the appropriation process to get some real and substantive public involvement and input on broad priorities for the public to provide to us as we do our tactical ongoing management, either of the river or the lands.

So from those perspectives, no, in 24 months you are not going to be able to get to the point where you can say, do these 14 things different, open these valves differently, change those gate settings differently, that is not going

to happen.

To the extent that you can help us examine the priorities that the public holds for the lands and waters that we manage, that's extraordinarily impactful.

And I think you need to be -- you need to be providing to us strategic input on how the expectations of the public have changed in that ten-year span that has gone on between the last time we did a lake level review, and it was a lake level review.

And let me offer for your

consideration as you think about this, if you start on lake levels, you will establish a set of expectations in people's mind that you will, one, fix that problem, and two, harm other water use issues, like navigation channel, like water quality, like aquatic habitat. I would caution you to think about that, the labels are going to matter. They are going to matter a lot to your constituents.

So think of yourselves as strategic counselors to TVA as we examine and reexamine the long view but also as we apply resources, make

changes in budgets, and we send field people out there to do shoreline erosion control or litter pickup. I mean, we're making very difficult choices on what we pay attention to, and getting your input on things like that, tactical things is important.

Also, what are the compromises going to have to be as we move forward? We only have so many drops of water. This year is a really good example of there are not enough to go around. So how should we be thinking about the changing priorities for those drops?

MR. JIMMY BARNETT: That explanation, Mr. Chairman, has changed my particular outlook on what the output of what this particular Council

should be from my standpoint. Thank you, Kate, that was --

MR. PHIL COMER: Kate, I would like to add that the study that was published in December of 1990 did not merely deal with lake levels. The first thing that was dealt with -- and there were three options that were considered in that study, which you-all called the lake improvement plan, which is really the environmental impact statement published in December 1990, the first thing that was

dealt with was water quality, water quality specific to aquatic life, both above and below the dams, meaning the dissolved oxygen, et cetera, et cetera.

So it was not merely limited to lake levels. Although that was what most people focused on when you considered the seven options or seven alternatives for lake levels, three alternatives were considered for water qualify both above and below the dam.

As far as calling this lake levels, which you have already identified within your task force, the level of public expectation is there, Kate, it is there today, it has been there for months, and there's nothing new about that.

DR. KATE JACKSON: I don't argue

that, Phil. However, that lake improvement plan examined only the tributary lakes. It did not include main stem.

MR. PHIL COMER: I agree.

DR. KATE JACKSON: And the navigation interest and the flood reduction interest are piqued and sensitized to take care that as anything goes on in the future, and this Council is on their radar

screen, anything that impacts their provision of benefits from the resource, they're paying attention to.

MR. PHIL COMER: But navigation and flood control certainly were a part of this study that was published in December of 1990, they certainly were. There are charts and graphs and all sorts of textual language that includes the probability of flooding Chattanooga, that the flood control is really 85 percent Chattanooga, the amount of money --

DR. KATE JACKSON: We talked about the system impacts. However, we did not consider lake level changes that would have substantively impacted either flood risk reduction or navigation.

And let me suggest -- before we go into an argument, let me suggest that we have the

expert, who is here to talk with us, talk a little bit more about the system and how it works, and my preference is to have the experts address that. You and I can have this discussion all day, that's not going to move this Council forward.

MR. PHIL COMER: I know, but I can read English, and I have read that study five times,

and to suddenly sit here and hear it described as having dealt with lake levels only is not my reading of the English language in the study -- are you referring to Chris Ungate as the person who is here as the expert?

DR. KATE JACKSON: No. Janet Herrin.

MR. PHIL COMER: Certainly, I'm sorry. But I don't know how many people around this circular table have taken the trouble to read that document, but it certainly didn't deal singlely with merely lake levels, that's simply a misrepresentation of that document.

And, you know, I don't have to be an expert within TVA to be able to read the English language, and as I say, I have read that. I can even cite you the page number is which TVA reported that any one of the seven options for lake levels would not have had an adverse effect on either

navigation or flood.

DR. KATE JACKSON: Because it's --

MR. PHIL COMER: Control, that's on page C-54.

DR. KATE JACKSON: Right. Phil,

again, because of the limitations we put on that study, which in my estimation will not be placed there again.

MAYOR EDDIE SMITH: Excuse me.

MS. JULIE HARDIN: Let's get to work.

MAYOR EDDIE SMITH: We are getting close to break time and --

MR. JIM SUTPHIN: May I make one suggestion before we take a break?

It's my understanding that this Council is an advisory Council to TVA, and that's the main purpose of our being here at this place at this time and have access to the information that's been given to us previously.

This morning there have been two, which I think are very good, recommendations made and presented to the Council, neither of them which I would say are my top priority, but if we arrive at our goal, they are very important in achieving what would be my personal priority; that is, No. 1, that

before we can make a very good effort on our part there needs to be more data, more appropriate data, more timely data, and I think it would be appropriate for this board to seek -- for the Chair

to seek a consensus of this board, do we want to make that recommendation to TVA, that there be a new study securing timely data? That refers back to these items that we're having this discussion about this morning.

And secondly, Mr. Comer has presented a recommendation from his constituents, and I think that having been presented to this Council needs to be laid to rest, are we going to make that recommendation or echo that recommendation to TVA? Is that something that this Council wishes to propose that TVA take a look at?

Those are things that we can do today, and it takes nothing away from the other issues that have been addressed or spoken of. It takes nothing away from the issue of water quality or any of these others things, but it moves us forward, we're actually doing something, and I think that's what each person that's around this table wants to do. We want to accomplish something. We want to make progress. And I would like to propose

that we decide, are those two issues something that we can recommend to TVA?

MAYOR EDDIE SMITH: Okay.

MR. PAUL TEAGUE: Amen.

MR. ROGER BEDFORD: Mr. Chairman?

MAYOR EDDIE SMITH: Yes.

MR. ROGER BEDFORD: I think Jim brings up a good point. I think all of us here feel a frustration in that we're looking for a direction and a way to accomplish what all of us hopefully are going to collectively accomplish, but I think it would be premature, just as Phil has rightly said he would like to have the Minutes before the meeting, I think that's a good point, Phil has brought in a proposal that I have not seen and for us to just say --

MAYOR EDDIE SMITH: Okay. I think --

MS. JULIE HARDIN: And it gets --

MR. ROGER BEDFORD: Hand on for just a second. For us to just say we're going to each get something from our district and bring it here and expect an up/down vote by the Council, I think then really puts us all as advocates of more narrow positions that reaching a broader consensus to advise TVA on. I am with Jim, I am for getting some

direction. I'm for getting moving, as Paul said

over there, to get something accomplished, but I don't know that the methodology should be that each of us should just go back to our area, and as you rightly did, seek broad input from your area, then come here and expect the Council to say yes or no we want to recommend it today.

MR. PHIL COMER: I did not ask that.

MR. ROGER BEDFORD: I know.

MR. PHIL COMER: Please make that clear on the record.

MR. ROGER BEDFORD: I make that clear in the record. I was just coming back to what Jim said that it would seem to me that this would be what you would bring to this Council for us to consider, and then at another meeting or a subcommittee recommend yes or no or work group or whatever.

MAYOR EDDIE SMITH: Let me intervene here just for a second. I think you have suggestions on Phil's proposal, and we all have not had a chance to read it, so it would be a good time for us to take a break and read it and look at it and then come back and take this up a little bit later.

(Brief recess.)

MAYOR EDDIE SMITH: Okay. So that we may kind of stay on schedule, what -- I am going to ask Jim to try to summarize what we have done this morning as it relates to the issues, and then we will take them up again this afternoon, and we will go ahead with the educational portion of the program that TVA have representatives here prepared to do that.

So at this time, Jim, would you try to give us some guidance and suggestions at this time?

MR. JIM CREIGHTON: Let me first reiterate what we're -- all we were trying to do this morning was to get some agreement on what are the big tasks we're going to take on as a committee, and it seemed presumptuous on our part to try to tell you how to organize them. In fact, you have done some combining in what's here.

My impression is you're 90 percent to having the list we need. It's probably up here, and there are only two issues that I can see that probably need to be handled before you can move on from this task.

The one is you had another priority

item up here, which was the Chickamauga Lock and Dam, and we haven't talked about how you're going to address that. Now, as I said, I specified earlier it was high priority because somebody in the group, and I don't even remember who, thought it was a terribly, terribly high priority.

I was talking at the break with Stephen. Stephen was also suggesting that that might be an idea or an issue that could be handled in the whole group with TVA coming and saying, here's what -- here's what the background is, here's how you handle it, and it might be something we can handle in one meeting.

So the other big one I think you need to decide is whether you package this as a lake levels topic or you package it as an integrated water management topic.

The arguments I heard, I believe Phil was saying, there's an expectation level out there that if this committee doesn't address lake levels people are going to be very dissatisfied and unhappy. I heard -- the counter-argument was if you package it that way you also mobilize people who are going to be threatened by it and that produces a political dynamic as well.

So my proposal would be that we come back to it the first thing this afternoon and deal with just those two things in order to get this list moving. What do you want to do about Chickamauga and do you want to do it under lake levels or do you want to do it under integrated water management? That would allow you lunchtime and things like that to talk it over.

Let me also make clear, this is not necessarily a subcommittee list. You may choose to make it a subcommittee list. These are the big tasks we're going to start on, and then it's up to you this afternoon to make a conscious choice whether or not subcommittees are the way to get there. So that would be my proposal, lay it aside for the moment. When we come back to it this afternoon, tell us how you want to handle Chickamauga and tell us how you want to package this one.

MR. AUSTIN CARROLL: Just a comment relative to Chickamauga. It may be bigger than Chickamauga, you know, there's Kentucky Dam, and there's probably some other things that need to be considered, you know, in that realm of infrastructure. So it might be just a little bit

broader than just Chickamauga.

MS. ELAINE PATTERSON: I agree with that. I think the issue is navigation, infrastructure, and Chickamauga and all other dams, and it looks like that maybe -- well, they are important to navigation.

MR. JIM CREIGHTON: Well, I put it up that way, which is navigation/infrastructure, is that -- is that acceptable to Austin or did you just want infrastructure?

MR. AUSTIN CARROLL: Well, I'd just leave it as infrastructure, and there might be some other thoughts around it, I mean, that's what comes to my mind right offhand. I would be hesitant to limit it.

MR. JIM CREIGHTON: So when we come back this afternoon, I guess the question will be, do you want to include infrastructure on the list, and then how do you want to package this one issue, whether it's --

MR. BRUCE SHUPP: Jim, one other point. I think that it would be good if all Council members would look at that list and see, what are

the questions that we're trying to frame here to answer on all of those issues, and that may help to

focus on exactly where we want to go in those various issues. What is the question of lake levels? What's the question on integrated river management? What's the question of the infrastructure? What are we trying to advise TVA to do?

MR. JIM CREIGHTON: So it's acceptable to drop it now and then we'll try to focus -- and then we'll try to focus in on those specifics when we come back together?

MS. JULIE HARDIN: Yes.

MR. JIM CREIGHTON: Okay. Mayor?

MAYOR EDDIE SMITH: Okay. We have talked about a number of things this morning. And I think we need to continue to get enlightened on these issues, and we have a real opportunity this morning to have that done with Janet Herrin, who is vice president of river operations of TVA. So we're going to turn it over to her at this time and let her make presentations on whatever you have. Thank you so much.

MS. JANET HERRIN: First of all, I

23 want to thank you for the opportunity to be here
24 today and talk about river operations. My
25 organization is responsible for operating and

1 maintaining TVA's integrated river system.
2 I was really tickled to hear you-all
3 talking about the integrated system and how it all
4 works together because that's really a big part of
5 my message today.
6 When they, well, what do you do, what
7 does that mean, I say, my job and the folks that I
8 work with's job is to make sure we have got the
9 right amount of water in the right place at the
10 right time, the right quality, the right
11 temperature.
12 It becomes difficult because
13 everybody's different -- definition of right is
14 different, and that's where the discussions come in.
15 And I think you-all have already experienced that
16 here as you have -- begin to discuss the river
17 system.
18 Next one, please.
19 I want to start out by just giving
20 you a little background on the watershed, on the

power service area, on the river itself. The Tennessee River is a tributary to the Ohio, and then shortly after it enters the Ohio, the Ohio enters the Mississippi, and that's important because there is some benefit as we operate the Tennessee River to

the lower Ohio and Mississippi River.

That's mile zero. Sometimes you will hear us talk about mileage along the river, that's mile zero. Then you proceed up the main river, the Tennessee River, all the way to Knoxville, that's mile 652, and just above Knoxville is where the Tennessee River starts, its the confluence of the French Broad River and the Holston River.

Chattanooga is located right here about halfway along the main river, and it's really interesting, because the way the watershed is shaped, it kind of necks down here through the gorge and then expands out there.

So this is kind of a narrow point in the watershed. That's very important when you look at the flood reduction benefit because that's a -- that's what's causing the flood problem that we get in the past there at Chattanooga.

You have got the tributaries up here

in the headwaters, and you look at the relief map, in the back you can see the topography, very mountainous up in this area. It comes down here through the gorge, and when you get over here into the western end of the valley, it's very flat.

So just, again, to give you an idea,

we were at Wheeler. Wheeler Reservoir is right here. Yesterday we were on this stretch of river right here at Wheeler below Chattanooga, above -- you have got Kentucky Dam, Pickwick Dam, and Wilson below Wheeler.

I encourage you to look, I think you got the -- we call it the green brochure, the one that folds out, you can take a look at that. That's got this map in it. The relief map is also, I think, very helpful is taking a look at these things.

I would like to now direct your attention to the map that's here. What I have done here is attempted to show you the watershed and the power service area, that's important, and I think you-all have begun to talk about that. That's important because I think in some ways it impacts

the different hats people wear.

And the reason I say that, over here in Western North Carolina, that area is in the watershed, and you heard the discussions about Fontana Reservoir, those folks in the purple area are outside of the power service area. So when you talk to those folks, and you heard the letter that Miles read, you hear things like, we don't get the

benefits of the power that is -- that our reservoirs -- the waters from our reservoirs are used to generate.

When you come over here to Mississippi, Western Tennessee, you're in the power service area, but you're outside of the watershed. And when you talk to those folks, they say, what we're interested in is low cost reliable power. We don't take advantage of those other things. We don't get the advantage of those other things in the watershed.

And then those folks that are in the area that overlaps the watershed and the power service shop, the power service area, they wear a lot of hats. They're interested in the water quality. They're interested in the recreation

benefit, the flood reduction benefit. So just the geography in the sense of the world we live in presents some interesting conversations as you go out and begin to talk about these issues.

Next.

I would like to start out by giving you an overview of the infrastructure, the water source, and just some of these basics, and then I will talk to you about the objectives in operating

the integrated system.

Yesterday we were out on the main river. We were at Wheeler. We have nine projects on the main river that look a lot like you saw Wheeler. There are very long dams. They have a lock or two. In some cases they have a main lock and ancillary lock, a powerhouse, these are projects. The reservoirs don't fluctuate more than about five or six feet. They provide the navigation channel from Knoxville to Paducah.

If you go up into the tributary area, I talk about up in the mountain area, you have got the multi-purpose projects with hydropower, these are the projects that provide the navigation

benefit, the flood damage reduction benefit, hydro power, water quality. This is where the water is stored. These reservoirs -- there's ten of those. These reservoirs fluctuates 30 to 40, all the way up to 90 feet, over the course of a year, the annual cycle, and I will talk about that in just a minute.

They do have hydropower associated with them, unlike the tributary multipurpose projects down in the lower right corner. These do not have a hydropower facility, but they are very important in providing a flood control benefit and a

recreation benefit in the areas that they are located.

The fourth type of project here in the lower left-hand corner is what we call a tributary run of river projects. These do have a power facility, and that's their primary focus is to produce the hydropower. They are built such that the water that comes in just passes on through and out the other end. There's not -- there's not a lot of storage in the run of the river plants, and there are nine of those projects in the valley.

Next slide.

This is the schematic off of the

14 relief map. And I think -- what I like about it is,
15 I think, it gives you a good -- kind of a quick
16 perspective on the infrastructure in this system.
17 The blue ribbon there in the middle is the main
18 river, and what you can see up here in the
19 tributaries, this is where you find the multipurpose
20 with hydropower projects.
21 And here's the Bear Creek, there was
22 some discussion about the Bear Creek, here's the
23 Bear Creek projects here, the beach, these are the
24 multipurpose without the hydropower facilities. And
25 then you have got -- actually up here in the

1 headwaters you have got the run of the river dams.
2 So that kind of gives you a
3 schematic. And again, it's there on the relief map
4 in the back if you want to take a look at it in more
5 detail.
6 Next.
7 Now, the thing we have to work with,
8 that finite source of water, I think it's important
9 to spend just a minute talking about that.
10 We have average rain fall in the
11 valley of -- of 51 inches, that's an important

number, but a more important number is the runoff because that's the water that actually gets into the reservoir system and that's the water that we have to work with as we do our -- meet the objectives of the multipurpose system.

And when you look at the runoff, your average annual runoff for the valley is only about 22 inches. What that means -- what happens there is you have got the rainfall. Some of it goes into ground water, some of it evaporates back out, it doesn't all become surface runoff available to the system.

Another unique thing about our watershed is that 60 percent of the average annual

runoff occurs in the four-month period from January through April. That's our rainy season. There is not a lot of vegetation. The ground is usually fairly wet at that point. So a lot of the rain that falls at that time does become runoff into the reservoir system, and that's why the flood control benefit, I will talk about that, the flood damage reduction, and I am working to change that terminology and I will tell you why in just a minute, but that's why the flood damage reduction

benefit is very important because you do have those regional winter storms that produce quite a bit of rainfall and runoff.

Next slide, please.

We do have an operational cycle of a year for the Tennessee River. Now, those of you that are familiar with out west, that's a little bit different than out west. Out west they have multiple year cycles. And what we're trying -- what we're doing -- and I am not going to talk about the why, I will get into that in a minute, I'm just going to explain to you the relative position of the reservoirs in -- as we move through the year.

We are at our lowest point here on January 1. We try to maintain that low point so

that we can essentially provide the flood damage reduction benefit, hold onto the water when it rains in the very rainy January through March time.

Once we get to March 15th, we begin to fill the reservoirs up through June 1 when we're at our highest point.

From -- for June and July we're holding on to that water for the recreation benefit,

but there is some use of that water across the June and July timeframe. And then in the August through December timeframe we begin the draw back down to the lowest point, which is where we want to be on December 1st.

Now, I'll talk about -- again I'll talk about why this is the annual cycle, but what I want you to see is essentially that it is an annual cycle, it repeat itself year after year, and that is a little bit different than you see in other parts of the country.

When you look at the objectives, I have heard you talk about these, I know you know them too, but what I want to do today is take each one of these six objectives and talk about, No. 1, how do we provide that objective with the river -- the integrated river system.

And then what is -- as it is right now, what is the benefit from achieving that objective. Navigation, flood damage reduction, hydropower generation, water quality, recreation, and water supply.

Next one, please.

Navigation -- with regard to

navigation, TVA provides the infrastructure in the locks and in the 11-foot channel for 800 miles, that's 652 miles on the Tennessee River, and then up a few of the tributaries there's about an additional 300 miles of navigable channel.

I think it's important when you think about navigation. There's two pieces to navigation. One is -- and I think this is what we think about a lot, and that's the locks and the fact that those gates open and close and you move through it, but it's also important to remember that navigation has to do with that having the right amount of water in the right place at the right time piece too, because that 11 foot channel is provided by having that water. If you -- those locks can open and close wonderfully, and if the water isn't there for the 11 foot channel, you don't have the navigation benefit.

Now, the benefit from the

infrastructure and the channel, if you look there's -- and I am going to step through a few of these in a little bit of detail. There's a $75,000,000 benefit in reduced rail rates, that's the idea that because the river is there and

6 available, maybe not used, but is available, the
7 rail rates are less expensive in this area. And
8 there's a -- there's a savings that's attributed to
9 having the availability of the river, that's the
10 75,000,000.
11 Now, when you go to the $450,000,000
12 in shipper savings, those are the folks, the
13 industries that are actually using the river and
14 accruing the benefits from shipping on the river,
15 using the river as their transportation system.
16 We move about 52,000,000 tons of
17 cargo on -- up and down the river, and we
18 actually -- because of the navigation channel that
19 we have, it provides access for our industries to
20 the Ohio, I mentioned tributary, the Ohio,
21 Mississippi, and actually on internationally. From
22 the Mississippi you can travel on down to the Gulf
23 and to most any port in the world at that point.
24 Those of you that were on the side
25 view with us yesterday, you heard talk a little bit

1 about the secondary channel marking that the side
2 view does, that's our work boat that's used to do
3 that channel marking. That's primarily for the
4 recreation boaters. The channel marking on the main

river is done by the Coast Guard.

Next.

Now, I told you I am working hard to use this concept of flood damage reduction instead of flood control, and I think that's very important as we continue to communicate on this.

I will be the first one to tell you, I cannot control floods. What I can do is reduce the damage. There's still going to be flooding in the valley. You cannot -- there's just no way you can eliminate flooding.

I think a lot of people get a false sense of security when they are below a project because they look upstream and they say, there's a dam up there, I won't get flooded. What you can do is try to reduce the damages associated. So bear with me now as I try to make this conversion to using the term flood damage reduction.

We take two approaches to flood damage reduction. One is keeping the water away from the people, and that's the infrastructure that

I'm talking about, that 49 dams, but there's a second part that's equally important because I can't

control floods; that is, keeping people away from the water, and that's called flood plain management.

Those of you that are involved in local governments probably know flood plain management very well. That is a local responsibility to develop the zoning ordinance that keep those people away from the water. So we have to work very closely with local counties and communities to ensure that what -- that we're in sync on this and we're moving ahead to keep the people away from the water and the water away from the people.

Next, please.

I think people focus primarily when they think of flood reduction on Chattanooga, and that is very important. Ninety-five percent of the flood damage reduction benefits are accrued to Chattanooga, but I think it's also important to take a look, there are 15 places that are -- we call flood damage centers that we operate. We have objectives in our operations to provide flood damage benefits.

You've got Paducah down at the mouth

of the river. Then as you move upstream you have

got cities along the Tennessee, as well as along some of the tributaries. Those flood damage reduction benefits are the basis for design ordinance in those areas. Those people expect that flood damage reduction benefit.

Next slide, please.

So what do we do in terms of flood damage reduction? I have touched on several things already. One very important thing is we maintain that flood storage allocation in the projects, in the winter months when it does rain, when there is substantial runoff.

When we move into a flood event, and unfortunately, we haven't had one of those for a while now, but when we move into a flood event, what happens is we want to go up on to the tributaries and store the water temporarily in those tributaries and let the runoff pass through the main river and out of the system.

Then when that crest has passed, what we do is we go up into the tributaries and then release that water, and what you have done then is actually reduce the crest of that flood by being able to hold on to that water up in the tributaries

and then let it go in a more controlled manner after the crest.

We also issue flood forecasts to communities below our projects in the event of flooding so that they can take appropriate evacuation measures, if necessary.

Next one, please.

The average annual flood damage is averted, 173,000,000, that is primarily Chattanooga, primarily on the Tennessee River, but there is a flood damage reduction benefit on the lower Ohio and Mississippi. It is a part of the purpose of Kentucky Dam. So I think folks don't always realize that when we're talking about looking at what we're doing in the valley that we do have an impact downstream.

We also -- I didn't mention it back in navigation, but we also have a very important impact on the navigation channel on the lower Ohio and the Mississippi, the water that comes out of those tributaries, when it's very dry like it is right now serves to provide for the channel -- the navigation channel, the depth on the lower Ohio and Mississippi.

And I believe there were times this

winter that we were -- that the Tennessee River was actually providing two-thirds of the water on the lower Ohio and Mississippi providing that navigation channel, very critical during dry periods.

Other benefits of the flood damage reduction project efforts, anybody that lives downstream of the project does have some flood reduction benefits just by being there below that project.

Zoning, I already mentioned zoning is a local responsibility, and the zoning ordinances that are in place are based on the way we have operated the reservoir system in the past. So if you go in and increase or change the way you operate the system to increase or decrease that flood benefit, you have to take that into account because it would impact the zoning ordinance and the way development has occurred below those projects.

I also mentioned the downstream flood risks. You have the potential to change that flood risk as we go in and evaluate and look at how we are going to operate differently.

Next.

This is a slide I like to use because I think it's very -- a very good graphic of the

flood damage reduction benefit. This up here in the upper left-hand corner is the 1867 flood. The gentleman there sitting on the ledge is in the same place. And you can see in 1867 the depth of flooding there at Chattanooga at Moccasin Bend. Then here up in the lower right-hand corner is the river today, as we see it today. So there is very much a flood problem in Chattanooga that this system upstream provides a very important flood reduction benefit for.

Hydropower: TVA, we have 29 hydro plants, with 113 units that provide three 600 megawatts of capacity. We also have a pump storage facility called Raccoon Mountain, and I would encourage all of you who have not had a chance to visit Raccoon to visit. We have a wonderful visitors center there. It's a very unique technology.

What you have -- I have to do this real quick. What you have is you have two reservoirs. You have a lower reservoir, which is Nickajack, and an upper reservoir. And in off-peak times you pump the water up to the top reservoir, and then it's stored there, and then during the peak times you can then generate with that water. So

it's kind of -- it's a version of hydropower generation, but it's a little different than the dams -- the system of dams that you have seen.

Hydropower provides about 13 percent of TVA's total generating capacity. It's a very important piece of TVA's generating capacity.

Next.

And it is very important -- and I know many of you in the room probably can do this piece of the talk better than I can, but it's very important because it is the least cost form of generation for TVA. It is also one of the cleanest forms of generation.

There's a lot of flexibility in hydropower, and what I mean by that is, unlike fossil plants and nuclear plants, hydropower can come on-line very quickly and come off-line, and that's very important because if you lose a plant on a very hot day, you want to be able to -- anytime, but particularly on a hot day, you want to be able to bring something on very quickly. A fossil plant and a nuclear plant cannot do that. That is very much the importance of hydropower.

It's also important in maintaining the transmission grid, and I am not going to go into

this thing called ancillary services. It's a term you might hear, and I am not sure I have got my arms completely around that, but essentially what that says is hydropower is used to keep the grid operational and voltage controlled and some of those ancillary benefits. So it's very important not only to the generation mix but to the transmission of that power also.

The revenue that's generated by hydropower varies, 300 to 450 on an average year. On a very wet year it can be more than that. It just depends, again, on that fuel source, that water that you have available to you.

Next.

I think it's important when you start to talk about hydropower that we spend just a minute talking about the demands and the value, and I think this is going to become even more important as we move into deregulation.

And what I have done is I've picked the four seasons here. You have got winter and summer on the ends with spring and fall in the

middle to be able to understand this -- this idea of the -- the demand on the hydropower and in the valley because it changes through the year.

In the winter we can have peaks that are several days in length in contrast to the summer where we have really all summer, several hours a day, but that peak demand goes entirely through the entire summer.

Both winter and summer have -- have a large demand. If you look over here you see that the all-time winter peak was 26,670 megawatts. Summer is our peak -- our peakiest peak, 28,000 megawatts. So you have essentially a two-peak generation demand as you look across the valley.

Also, another difference between winter and summer. Winter is the rainy time. So as you use the hydro -- generate the hydropower and use the water for that, there's water coming back into the reservoirs essentially taking the place of that water that you have used.

When you go into the summer that's a little bit of a different situation. You don't generally have the water replacing the water that

you have used. So you have got to be very careful to ration that hydropower so that you have it available and you can take advantage of that flexibility and that low cost that I mentioned.

Now, the spring and the fall are

generally low demand periods. You're talking about peak loads averaging about 20,000 megawatts. And this is the time we take advantage of the fact that there is load demands to take pieces of the system off to do maintenance. It's a very important part for us to be able to meet the winter and summer demands on the system.

Next.

Water quality, another very important objective for the system. Some of the things that we do to address the water quality objectives, we have minimum flow requirements below our projects. We have added aeration equipment below 16 of our projects.

I am not going to go into detail about any of this. As you can see, I am kind of hitting the high points of all of this, but I'd be more than happy to talk to some folks who are interested in more detail about some of this -- the

technology.

The idea with the aeration is to introduce oxygen into the water, the dissolved oxygen question that I heard Stephen ask the other day. We also have a very important monitoring program. Particularly when it's dry, it's very

important to know the health of the river so that we can go in and take action before you have a fish kill or before you have a negative impact on the aquatic habitat.

We also support watershed teams. Ruben will talk in more detail about that, but they are very important to us in addressing water quality, because what you will hear is a lot of the water quality problems are caused by what's going on on the lands upstream. So these watershed teams are working very diligently with the landowners upstream to address some of the things that are going on in the lands so that they don't create the water quality problems. So that's a very important part of achieving the water quality objective.

I mentioned minimum flows. They benefit, they improve the habitat. It's also --

they also help us assimilate the waste coming back into the river system. Aeration is to address dissolved oxygen. Monitoring is to make sure that we -- it's a long-term program to make sure that we know what's going on today but also to look and see if there's some trends there that we should be aware of.

And then one that I missed there is

very important, Bruce wouldn't let me miss this one, that's stabilizing the reservoir levels for fish spawning. We do that, particularly in the spring as the reservoirs are coming up. When the water gets to a certain temperature and a certain depth, we will try to hold that level to aide in the fish spawning for about two weeks.

Next.

Recreation, another important objective. What we do here is we provide the summer pool levels, which you have heard discussed, and we also provide releases for whitewater rafting. Now, I think this is an interesting one that I would like to take just a minute to talk about because we kind of lump recreation into one pot when talk about the recreation benefit. Those two right there, the

summer pool levels and releases for whitewater rafting, in and of themselves, create some basis for discussion.

I will use the Blue Ridge Ocoee system as an example of that. Folks who live around Blue Ridge lakes want the lake levels held up higher, that's the water, particularly in dry times, that's available and becomes very critical for the whitewater rafting on the Ocoee.

So that's that source water. So when it becomes very dry, when you're rationing water, there's that tradeoff. Are you going to hold Blue Ridge up to provide the whitewater rafting on the Ocoee or are you -- I'm sorry -- are you going to let the reservoir go down to provide the water for the Ocoee or are you going to hold the water up in Blue Ridge and not have whitewater rafting at certain times?

So it's -- even as you get into any of these particular objectives, there's balancing that goes on in each objective, too.

Benefits very much is quality of life. When you talk about recreation and heard the

boost to the local economies, the basis for some of the economies, boating, fishing, swimming, whitewater rafting, all very important benefits of recreation.

Water supply: Our reservoirs supply clean and reliable water and also minimum depth for intakes. Again, I keep coming back to this dry period because it's very much in the front of my mind. That minimum depth for intakes is generally not a problem, except during dry periods.

We're already experiencing places

where a municipality has a water intake, and because it is very dry, if you don't make some releases down the intake will be out of water. It's very important to people. We have 4,000,000 people that depend on the Tennessee River for their drinkable water.

That water supply then provides industries with their process water and cooling water. Those industries are TVA's nuclear plants and thermal plants. That's also the industries that you saw yesterday on the ridge of the river between Decatur and Wheeler. A lot of those industries sited there for the navigation transportation

14 benefit and for the access to the cooling water and
15 process water, they depend on that.
16 They also -- it's also a very
17 important source of -- I talked about the household
18 use, but also waste assimilation. It's important so
19 that as they use -- as we use, TVA uses the water,
20 that -- and we discharge it back into the river,
21 that waterflow is very important as you assimilate
22 that water back into the river.
23 Next.
24 I will summarize very quickly. I
25 mentioned what we're doing here then is trying to

1 balance the wide range of demands that are on the
2 system. Those are the objectives, again,
3 navigation, flood damage reduction, hydropower
4 generation, water quality, recreation, water supply.
5 I know I am kind of being redundant and you-all know
6 those things, but I just want to keep those on your
7 mind and thinking about how we address those
8 objectives.
9 I would like to close just by -- next
10 slide, please.
11 And I would like to close just by

taking the three words off of the green brochure, the maps that are in the middle, I think it's important to remember the integrated system. What we're talking on here is working it all together to get the maximum benefit from the river.

Balanced, now, you talk about, wait a minute, that's your balance, that might not be my balance, but what is important as we go ahead is to maintain a balance of uses of the river system.

And then efficient, trying to get the most value out of every drop of water there and using it over and over as it goes through the system, holding it upstream for flood damage reduction benefit, releasing it for minimum flow for

navigation, holding on to it for recreation, letting loose of it for whitewater rafting, that whole idea of just getting as much as you can out of the river.

So with that, I will stop and I will let Ruben talk a little bit about the lands planning and then we will be glad to answer or try to answer any questions that you might have.

Thank you.

MAYOR EDDIE SMITH: Okay. Thank you very much, Janet. Ruben Hernandez, who is vice

11 president for resource stewardship, will make the
12 next presentation.
13 MR. RUBEN HERNANDEZ: Okay. Well,
14 good morning. Thank you for the opportunity of
15 being here, Mr. Chairman, members of the Council.
16 You referred to this as an
17 educational opportunity, and you will be glad to
18 know that I do not have a test immediately following
19 this, but the stewardship activities that TVA
20 performs are really the implementation of the words
21 in the TVA Act that deal with the unified
22 development of the resources of the valley.
23 What I am going to do this morning is
24 kind of lay out for you the scope of the watershed
25 that we manage, how we plan our work, how the work

1 is implemented, and some critical issues and
2 challenges that we face and that we hope to get your
3 help and advice on.
4 It is a large watershed, 41,000
5 square miles of area, 42,000 miles of streams. In
6 doing our work out there we see the impacts of
7 inappropriate land use. We see the impacts of
8 animal waste operations that are regulated. All of

these impacts are impacting the water quality that we consume throughout the valley.

A critical resource that we manage is the 11,000 miles of shoreline, and those shorelines are critical because they are in the areas that help buffer and protect the reservoir system as well as the activities that they place on those -- on those shorelines.

We manage 293,000 acres of land. On those lands we perform activities related to natural resource management, protecting resources on those lands, and in addition to this acreage, of course, TVA has 35,000 acres that is allocated for power generating facilities.

To continue with the scope of the watershed that we manage, we also get involved in dealing with a half million acres of easements,

200,000 acres alone related to the transmission system. Also, 300,000 acres of that is set aside for flowage easements where we have retained the rights to be able to operate the reservoir system in case of a flood situation.

Seventy-four percent of our lands are allocated to resource conservation. Of that 293,000

acres that I showed you a minute ago, through our lands planning process that I will cover here in a minute, we have additionally ended up with 74 percent of that either as a sensitive resource protection category or just managed natural resources.

So in planning our work we focus on these three areas. We develop plans that set aside, with stakeholder involvement, how those lands will be utilized in the future. They deal with all of the lands that border the reservoir system. So it's a critical resource.

In addition to that, we manage that shoreline, those 11,000 miles of shoreline that we talked about earlier, by performing or discharging our statutory responsibilities dealing with waterfront development.

Finally, we examine the condition of

hydrologic units throughout the watershed. Having this information allows us to make decisions as to where resources will be spent, where the work -- our work effort will be directed.

Lands planning: Basically our

process for lands planning is one that includes extensive stakeholder involvement, working with local communities, interest groups, individuals, industries to examine the types of land uses that should be entertained on a particular reservoir. These are performed on a reservoir basis, resource specific. And then once that land use is set aside, for example, on resource management, we also get input from the public as to how they would like to see that managed, how they would like to see those plans implemented.

Of course, we do this to balance these competing demands and have really five major areas of allocations that we utilize. The natural resource conservation area where we set aside lands for those purposes, commercial and industrial development. For example, we have 13,000 acres set aside throughout the valley for industrial development. In the commercial development arena, we have about 3,000 acres set aside.

We also set lands aside for public recreation, campgrounds, all of these activities that you see bordering that reservoir system. We have 32,000 acres set aside for that purpose.

Residential access is another category. Thirty-eight percent of our shoreline has outstanding deeded rights that give individuals, back line property owners, the right to cross that property and to build waterfront facilities. Of that 38 percent, only 13 percent has been developed.

In 1999 we completed the shoreline management initiative that concluded that TVA was not planning to open any more access to the reservoir system. That was a decision made as a result of that environmental impact study.

Our plans do seek this multitude of objectives, and it is difficult, but it is an excellent process for us to interact with the stakeholders and find out what their interests are.

Just to give you an idea, the good news about this chart, 89 percent of the lands have been allocated, the bad news is that change is occurring much faster and we have to -- we have several plants that are out of date where we are seeing developmental pressures that we need to deal

with and we need to revise.

To give you an idea, this coming

quarter we will be completing plans for Tellico Reservoir, Tims Ford Reservoir, and the Bear Creek Lakes that have been talked about this morning. We also have worked on Cherokee, Norris Reservoir, and I forget the other one. There is a lot of work going on here. Those are targeted -- Guntersville, those are targeted for FY 2001. As development takes place, the need to keep these plans up to date and to be out there getting that valuable input is critical. It's essential.

Shoreline management: There was some discussion about whether or not this works with your categories. The key point here is that a lot of our shoreline management takes place on shorelines that are abutted by TVA owned lands.

So traditionally we have discharged these activities to review and approve the building of facilities along the waterfront to ensure that flood damage is enhanced and that resources are protected, navigation interests are protected, and power generation is not adversely impacted.

In the future this provides an excellent opportunity for interacting with lakefront

property owners, along the lines of bringing them on

as stewards of this resource so that we jointly develop shoreline management plans, not just TVA's plans, and those plans can address not only their waterfront facility interest but also the development of buffer zones, repairing shorelines that are eroding excessively, creating lake user groups that help us deal with trash and litter on the reservoirs.

The last part of this planning portion of my presentation deals with dealing with hydrologic units. These are basically sub watersheds of the Tennessee River system where the geographic features drain an area to a particular point, it is that simple, and we have approximately 603 hydrologic units that we deal with.

On those areas we collect information, water quality information, chemical, physical, biological data that helps us decide the health of that watershed and help us decide where to focus attention.

We obtain information from states. We work with EPA and the USGS, U.S. Geologic Service to obtain whatever information is available to them, but most often we work with TVA's data, the data

which is collected as part of our vital signs monitoring program. And oftentimes, that is the only information that we will have on our watershed at the level that we need to have it to develop these work plans.

This is the output and something -- a tool that we use to define where -- you know, where attention needs to be placed. We have -- we rate these hydrologic units good, fair, and poor, very simple. It helps us to put attention where attention is needed. It also helps us to communicate with our stakeholders.

You won't be able to read this, but approximately 27 percent of our hydrologic units are in poor condition. In addition to this, we not only use the physical and biological conditions out there, but we also use the -- what is the status of coalition building, because it is very important, TVA cannot do this by ourselves.

We have to get coalitions built. And so we ask ourselves, what is the stage of development of those coalitions? Do we have interest as stakeholders? Are they educated? Do they know what the issues are? What is their readiness to do work and support and carry on,

because we need to institutionalize this care for these resources. It has to be -- it has to include an education component. So we use the readiness of those coalitions as part of developing this good, fair and poor rating.

Okay. Planning is great, but implementation is when we see results, and we get that implementation accomplished through our watershed teams. We measure how we're doing by looking at the condition of our shorelines, the public benefits that are being provided, and the condition of the water resource.

This is -- I apologize for the quality of this. You won't be able to see it, but it's basically depicting that we have 11 watershed teams throughout the valley that discharge these functions.

Now, these teams are made up of individuals with varying skills and talent. We have engineers, foresters, land use specialists, biologists, facilitators, planners that working with those coalitions that I referred to earlier tackle specific projects in the watershed.

Now, our philosophy is to get things done on the ground, and this is a philosophy that

TVA received recognition for as part of our clean water initiative in the early 1990's. That philosophy is being emulated by other agencies and organizations, as part of the implementation of the Federal Clean Water Action Plan. So it's kudos for us, but it focuses our attention on getting projects done on the ground.

So how do we go about doing this is asking ourselves, okay, if our goals on shoreline condition is so to ensure that we have the right types of land cover, that the shoreline is not eroding, that we don't have trash, that we have the right types of development, so we ask ourselves, what are we doing with our work plans this year? Are they in line with these objectives how much shoreline are we improving? Are we working with the coalitions to take care of litter and trash? How many coalitions are we developing or helping develop? How much shoreline erosion -- we have shoreline erosion projects that we implement every year. How much are we protecting? Where are those critical areas throughout the valley?

The same thing in public benefits provided, we don't do this in a vacuum. We have to develop natural resource management plans. So we

talk to interest groups, we talk to the public, how would they like to see these areas protected, these threatened and endangered species, cultural resources, the types of wildlife and forestry endeavors that Ducks Unlimited, for example, is very interested in. They come to the table and help us formulate work plans for managing those assets.

We also pursue recreation partnerships with our public lands, and we talk to marina groups and other organizations to communities to ensure that we are complimenting each other with our plans as we go forward.

The condition of the water resource, what are we after here? We are after good water quality and we're after effective coalitions that could sustain these practices in the future. So what are we doing? Every year we ask ourselves, what are we doing throughout the valley, and every team has this charter to achieve these objectives.

Okay. As far as critical issues and challenges, there are many. And I think the -- one of the most significant ones, in my opinion, is to balance growth and conservation.

We need to make sure that as we go forward -- you know, when I say that only 13 percent

of the shoreline has been developed, that doesn't sound like a lot, but every time we make a decision on a development or on a particular project, we need to be thinking long-term and we need to make sure that those projects are implemented in a sustainable manner.

To work on this, we have an internal effort ongoing right now to integrate our economic development initiatives and our resource condition assessment so that as projects are implemented we can see the benefits, we can see the potential where we need to be careful, how we implement those projects, so that we ensure sustainability of that natural resource for years to come.

Of course, regional stakeholders have to be at the table. We cannot do this at our own. I'm repeating myself, but it is such an important element of what we do day in and day out.

The challenges are many. We have increased population impacts, competition for these resources that are limited in nature, and developmental pressures. I think it is essential

that we keep the integrated nature of the system and that we balance these demands on the system.

Any efforts to disintegrate, such as

what Austin was mentioning this morning, to me will result in decreased value to the stakeholders of this valley and to the taxpayers of this nation, and I think the regulation issue that was discussed is of critical importance.

We are going to -- we're going to see as we move forward, I believe, attempts to disintegrate the system, and I think that would be very damaging, not only for TVA but for the people that we serve.

I thank you very much, and I look forward to the Council providing input that will help us do a better job in defining the value that we provide to this region.

Thank you.

MAYOR EDDIE SMITH: Okay. Thank you. We will see if you have any questions for either Phil (sic) or Janet at this time, if you'll stay around for a minute.

Yes?

MR. BRUCE SHUPP: I have a question for both of them, and I guess I'll start with Ruben first because he's still up there.

Ruben?

MR. RUBEN HERNANDEZ: Yes, sir.

MR. BRUCE SHUPP: Could you define the critical questions that you see for land management issues that the Council could embrace?

MR. RUBEN HERNANDEZ: Well, you know, this presentation and Janet's, they are going to be available, are they not, in electronic form?

MS. JANET HERRIN: Yes.

MR. RUBEN HERNANDEZ: I think I have tried to deal with those critical issues, Bruce. This -- these resources cannot be exclusively managed for one benefit or another. We must balance that.

An example on lands is conservation versus development. I don't think we can close the door and say, these lands are not available for development; they have to be. We just have to -- we need to make sure that we're looking at the right types of development, the right types of industry in the light locations. To me, that's one of the most

critical issues.

MR. BRUCE SHUPP: Janet, if we -- if the Council tackles the water level issue, it seems to me like obviously the technical analysis would have to be done by TVA. What role specifically do you see for the Council to play in tackling that

water level -- those water level decisions?

MS. JANET HERRIN: Well, I think -- is it on? Okay.

From my perspective a very critical role, I think, for the Council is that interface with the stakeholders both ways, because in the past my job is many times to go out and talk to the stakeholders, the folks that you're representing, and what happens many times is I am out there talking to a group of -- the navigation industry, I did that not too long ago, and when you have these conversations what happens is I end up then representing everybody else who is not in the room. It's just really not an effective way to get your heads together and come up with these options and these compromises.

And I think what the Council to me is

very important for is you're representing all those stakeholder groups. You're here to talk to each other. I am here to listen to what you hear when you're out there.

So I think what you can do for me is take these messages out, talk to your stakeholders, make sure they realize the integrated, the balance, efficient piece of the message, and then help us

identify the changing demands on the system and how we're going to compromise.

Okay. If we want to hold lake levels up longer, what's out here and how do you have those conversations and find those compromised positions? Because right now the water is a finite resource and there's not a lot further to stretch it. So if you go over here and you take an action that changes a benefit here, it's going to have an impact on the other things. So I think it's important to engage everybody in the knowledge and the dialogue of this system and get all of the good ideas back to us.

MR. BRUCE SHUPP: So you see the Council as current input from stakeholders back to TVA?

MS. JANET HERRIN: Both input and

17 information out, absolutely, to frame that

18 conversation, the conversation that we're having

19 here today so that everybody understands the

20 trade-off and becomes a part of -- has input into

21 those decisions because everybody is going to be

22 impacted in some way.

23 MR. BRUCE SHUPP: Thank you.

24 MR. STEPHEN SMITH: I have a series

25 of questions, I guess, for both, just clarifying

1 questions really.

2 Janet, why -- can you explain to me

3 why you would have a multipurpose dam without a --

4 without a hydro generation component on it? I mean,

5 what was different about those dams that you

6 wouldn't try?

7 Because eventually the water gets

8 past the dam, so why not spin something in the

9 process of getting it past the dam?

10 MS. JANET HERRIN: It's an economic

11 decision. It was not economical. The sites were

12 not such that they provided an economical payback to

13 take the cost of installing the hydropower

14 generation.

Now, we have gone back in at numerous times and taken a look at those because there's a lot of conversation nationwide about those sites where you already have a dam and adding hydropower facilities. Right now where those are located are not good hydropower sites. When you are looking at multipurpose and you're siting a system, sometimes it's not always the best place for the hydropower generation.

MR. STEPHEN SMITH: Because I know that with some of the micro hydro stuff that it may

not be a whole lot of power, but it's something.

MS. JANET HERRIN: Right.

MR. STEPHEN SMITH: You know, when you look at -- like I say, I don't think anybody is advocating expanding the hydro capacity necessarily, but it seems like if water moves -- I was just curious.

The other thing, you had mentioned the 450,000,000, I think, that is due to -- the $450,000,000 worth of savings that comes from transport.

MS. JANET HERRIN: Right.

MR. STEPHEN SMITH: What percentage

of that or what fraction of that is benefits to -- actually to TVA.

Because one of the things that we're doing in another capacity is we're looking at the economics of some of TVA's coal fired power plants, and clearly, TVA is able to get some of the rates and the benefits because the power plants are located on the river. They use the river as a super highway to transport coal, which then in turn drops the cost of the fuel of the coal, and I am just wondering of that 450,000,000 that you talk about, how much of that would you anticipate is actually --

and too, have you-all quantified the actual economic benefit in the form of rates and electricity generation associated with -- I'm just curious.

MS. JANET HERRIN: About 50 percent of what moves on the river system is moving to our coal plants.

MR. STEPHEN SMITH: Okay. That's helpful. I guess the other thing for you, Janet, before I jump to Ruben, this interbasin transfer.

MS. JANET HERRIN: Right.

MR. STEPHEN SMITH: When we were

talking about water supply, I didn't see you mention that much, and I guess we haven't really talked about it, and I don't know how much the Council members are aware, but that to me seems to be an issue that is of growing importance.

Just briefly, the fact that Atlanta, in essence, has overdone its carrying capacity, is the way I would describe it, and therefore, it is, you know, pulling water from all kinds of different places and these other development pressures.

And we are, even though we are in a drought stage, really water rich in some people's eyes compared to other parts of the Southeast. And my understanding is that there's a growing interest

in trying to figure out ways to tap into and pull water out of our watershed, and then even within the overall watershed, moving it between watersheds, and that seems to be a real water supply issue, and I didn't see you talk about that, and I am just wondering how you see it on the horizon.

MS. JANET HERRIN: I think, first of all, it is an issue. It is an issue that the Southeast is not used to. It's an issue that the West has struggled with forever really. I think

it's important, when you talk about water supply, the majority of water supply I talked about there was non-consumptive, meaning it goes out, it's used, and it's returned to the river.

When you have an interbasin transfer, that water leaves the watershed and doesn't come back. What that means is that you do not have that water available downstream from where it's taken out of the river to meet the objectives.

And I will just use Atlanta. I think it's important to realize it's not just Atlanta. There are other major metropolitan areas and smaller communities that have a need for good, clean drinking water, and they are looking to the Tennessee River.

So let me use Atlanta as an example. The place where they're talking about tapping into the Tennessee River would be at Chattanooga, if they did that and removed water and it went down to Atlanta, those folks downstream, it would not be available for waste assimilation.

On downstream in North Alabama where you have the industries whose permits are based on a

9 certain amount of flow going by those industries,
10 that water would not be available from -- as we see
11 it, a part of it would be going to Atlanta. To meet
12 those permits, you would have to release more water
13 from upstream to continue to meet that flow
14 requirement there.
15 You wouldn't have that water
16 available to put through the hydro facilities and
17 generate. You wouldn't have that water available
18 for water quality improvements. So anything that's
19 taken out and returned from a watershed isn't
20 available anymore downstream. You either do without
21 or you move more from upstream downstream to meet
22 those objectives.
23 MR. STEPHEN SMITH: It seems to me
24 that -- I mean, I think it's not -- it's not that
25 it's not significant. I think what's happened is

1 that I am not sure that we're fully aware of this
2 growing pressure that's coming on it as far as
3 interbasin transfer.
4 It may be valuable at some point for
5 all of us, as a Council, to request a little better
6 briefing on that particular --
7 MS. JANET HERRIN: Yeah, I'd be more

than happy --

MR. STEPHEN SMITH: -- issue because it's -- it's one that I think is -- we would be remiss not to contemplate.

MS. JANET HERRIN: I'd be more than happy to.

MR. STEPHEN SMITH: I just have one quick question for Ruben. The concept of the hydrological units, you mentioned there were approximately 650, is that --

MR. RUBEN HERNANDEZ: 603.

MR. STEPHEN SMITH: 603. And you said that -- and this is -- basically these are sort of micro watersheds within the macro watershed?

MR. RUBEN HERNANDEZ: Correct.

MR. STEPHEN SMITH: And you said 27 percent of them you-all would actually label as being in poor --

MR. RUBEN HERNANDEZ: Poor condition.

MR. STEPHEN SMITH: -- condition for various reasons. It's sort of building on what Bruce was talking about. I guess, how would you -- what would you see as being the most valuable input

from us or if we were to set up a water quality subcommittee that was looking at -- I mean, it would seem to me that trying to look at or advise or provide some input on either recovering or stopping or there may be trends in some of the ones that are labeled as fair going towards poor, I don't know if you're trending it which way they are going, but, I guess, I would be looking for a little bit of thought on, are there some particular issues that you're grappling with associated with trying to rectify the situation that some input from the Council relative to water quality reversing trends or recovering poor condition things that you find would be most valuable in trying to find that balance that theoretically we're supposed to be all about?

MR. RUBEN HERNANDEZ: Yeah. I think the Council's role in that arena, a couple of areas that I can think of. No. 1 is issue awareness with your stakeholders or folks that you deal with. From

an individual standpoint or development of a watershed coalition standpoint, I think that's very important.

Also, I think dealing with

5 communities and to the extent that you interface
6 with communities and other local government, I think
7 that's also an area where we need support, where we
8 need encouragement, and this -- this concept of
9 balancing development and conservation is an issue
10 that needs to be talked about and explored at the
11 local level.
12 MR. STEPHEN SMITH: In the context of
13 the 27 percent that are poor, is this mainly like
14 watersheds that have streams that are on the 303-D
15 list, which is -- is that kind of how you're coming
16 at it?
17 So are a lot of the issues associated
18 with poor water quality associated with the total
19 maximum daily loading type of issues, non-point
20 source stuff? That may be a little more difficult
21 to tackle than --
22 MR. RUBEN HERNANDEZ: That's correct.
23 And, of course, we are not the only ones working.
24 MR. STEPHEN SMITH: Sure.
25 MR. RUBEN HERNANDEZ: I think it

1 would be remiss for me to give you that impression.
2 I mean, we're working with the states and we're

working with the EPA to, you know, come together and pool resources to make things happen.

MR. STEPHEN SMITH: This is my last one. The stewardship coalitions that you're trying to build, you have identified a number of different -- I take it that you would like to have -- in all of the different hydrological units you would like to have a stewardship coalition, is that the ultimate goal?

MR. RUBEN HERNANDEZ: That's right.

MR. STEPHEN SMITH: And I didn't catch the percentage that you felt -- how many -- of all the 603, how many would you say that you actually have functioning stewardship coalitions in place working with you?

MR. RUBEN HERNANDEZ: Oh, I would have to provide that information, I can't think of it off the top of my head, but it fluctuates, you know, you may have a coalition that gets going and losing interest, that kind of thing. It's a never ending process, I might add.

By the way, a lot of the data and information that I talked about on public lands or

lands plans that are already available, the Council,

to the extent that you feel you need that information, you're welcome to access that.

MR. AUSTIN CARROLL: Just for clarification following up on Stephen's question there, what are the criteria again for rating those watersheds? You said a large percentage were poor. Is it based just on water quality?

MR. RUBEN HERNANDEZ: It includes both. It includes the condition of the resource as well as the ability or the existence or the effectiveness of a coalition that exists there. So it's a combination of the two parameters, the physical and the coalition aspects of it.

DR. KATE JACKSON: It's water quality and it's biological monitoring. So it's the health of those -- the critters that are living there and -- and water quality. So it looks at shoreline erosion, it looks at water quality data, and it also looks at the life form.

MR. RUBEN HERNANDEZ: You know, one of the issues that we get into dealing is those total maximum daily loads that Stephen was talking about, they eventually end up impacting the ability of those areas to see any additional development or

causes the cost of any future development to increase because they will have to mitigate or deal with those issues.

MR. JIMMY BARNETT: I have one question. Janet, some of the figures you used, like the 451,000,000 or something, are those out of the '90 study or are those current figures?

MS. JANET HERRIN: Let's see. I'm going to go back. The numbers for navigation are current. The numbers for flood damage is averted. The reason I am looking over your head is I am looking back for nodding heads back there.

The numbers for flood damage reductions are current. The power is current. I guess the majority of those are -- those numbers there that I mentioned are current numbers, current within year, that timeframe, not back to 1991.

MR. JIM CREIGHTON: Okay.

MR. BRUCE SHUPP: Ruben, of those 200 to 300, that's 27 percent, I guess, of those waters that are degraded or poor quality, is it reasonable to assume that action that this Council could take could accelerate improvement of those resources? I mean, is there things the Council could do to speed up the recovery?

MR. RUBEN HERNANDEZ: Well, you know, to the extent that we can bring other parties to the table, yes, definitely. You know, a lot of these -- we monitor this assessment on an annual basis, and it takes -- you know, sometimes we don't see the outcome. We don't see the change. It may take longer than one year to see the output of our efforts, but to the extent that we can build coalitions and issue awareness and get the local people involved, I mean, this takes the participation of many entities to make a difference. And so, yes, I think that Council could help in that regard.

MR. JIMMY BARNETT: I have one additional question for Janet. TVA is making a study to update the '90, '91 resource study. Would it help from this Council's standpoint to emphasize or recommend to the TVA board that they give you every direction, every effort to provide tools and materials and resources and whatever or are you going along and nothing we do is going to speed that up or slow it down?

MS. JANET HERRIN: That's a tough one. I am looking at Kate going, okay, help me with this one, Kate.

DR. KATE JACKSON: I -- I think this Council could clearly have an impact on that. I mean, I think one of the things that TVA is looking toward is as representatives of the constituencies and stakeholders in the valley, what do you believe are the most important priorities.

We have limited -- not just limited drops of water, there are limited resources. You, as a customer of TVA's power program, understand very clearly that we're struggling to minimize the impact on rate payers while maximizing the benefit of the management of the resource for multipurposes, and that tension creates some just very strong discussions internally about, well, should we spend money on aquatic weeds or should we spend it on shoreline erosion control? Should we spend money on infrastructure repair or on a five-year environmental impact study?

So providing input to us on relative priorities as the populous in the region has changed expectations for the use of the multipurpose system is critically important for us. I didn't completely straightforwardly address your question, but that's what we want you to do is to provide us input.

MR. ROGER BEDFORD: Ruben, I think

this should go to you, but Janet, jump in if it doesn't. Of the 21 percent that you rated before, do you have a statistical breakout between poor and fair and of what percentage are closer to fair or worser and those that are in fair, what percentage of those are about to go into poor or not?

And then the follow-up I am interested in, Janet touched on a point about the economic permit discharge levels that we saw with these plants, as well as some municipalities needing the intake. Do you-all have some type of model that says, if we hold water back or divert water at what level it adversely impacts the industries down here being able to meet their industrial permits?

MR. RUBEN HERNANDEZ: Okay. We do know the breakdown on fair and good, but it's also important to do work --

MR. ROGER BEDFORD: No. I am talking about between fair and good, do you have those ranked as well?

MR. RUBEN HERNANDEZ: Not really, because we -- this evaluation changes. You know, one year I may rate something fair, and there is a

24 development that goes in or a failure of a

25 particular best management practice on a project

1 that could adversely impact that rating the next

2 time around. So I don't have that statistical

3 breakdown that you're talking about within those

4 categories.

5 MR. JIM CREIGHTON: On the trends

6 though, are the poor ones trending up towards fair

7 or are the fair ones trending down towards poor?

8 MR. RUBEN HERNANDEZ: The focus of

9 our effort is to ensure that we maintain those that

10 are good or fair and improve the ones that are poor.

11 So at any one year I can have movement of those

12 conditions. So it's a -- I can do it -- we can do

13 the trending, but it's not -- I don't know how

14 meaningful it would be.

15 MR. ROGER BEDFORD: I am not trying

16 to pick hairs. What I am trying to get is

17 conceptually in my mind, I mean, obviously there is

18 movement within the different categories, but are

19 there trend lines developing and are there certain

20 factors that weigh more heavily or trigger more of a

21 reaction one way or the other?

22 MR. RUBEN HERNANDEZ: Yes. Depending

on what is causing the problem. In other words, it could be agricultural practices in a particular hydrologic unit could be the biggest culprit. The

Department of Agriculture may decide that they want to spend a lot of time and effort dealing with that issue on that particular hydrologic unit. So, yes, that will help accelerate the movement of that in a good direction.

MS. JANET HERRIN: I have got to say something here. If you look back at the packet from yesterday for Wheeler, for instance, that one page summary that talks about the water quality there, it goes in and it shows you the trend at least I believe it's over the last seven or eight years at Wheeler.

A big thing that's impacted water quality throughout the system last year and this year is the very dry conditions. We don't have the water going through the system like you do in a normal or a wet year.

So if you look in there, you can see Wheeler, and it's not directly comparable, because when we started out in the early '90s the way we

were measuring some of that was not exactly the best way to do that. So we've kind of changed that.

So there's some qualifiers as you look at that trend, and there's some explanations about why we think it's moving this way or moving

that way. We can get you more information on the reservoirs. You can take a look at the Wheeler fact sheet and see if that's the kind of thing -- I think that's the kind of thing that you're asking.

MR. ROGER BEDFORD: And then the other question dealt with, kind of, if you would, flesh out what you talked about the balance of when you withhold water or divert water that does not come back into the system itself, the impact on the downstream people or upstream, whichever way you want to look.

MS. JANET HERRIN: Okay. Interbasin transfer, that concept. If we're taking water out at Chattanooga, that water is not available to go downstream. If you don't change the way you operate, in essence, you don't have as much water flowing on down through the system.

MR. ROGER BEDFORD: Does that also apply if you withhold artificially the levels higher

longer up that stream, even though the water is still in the system, the flow is restricted downstream; what impact does it have on the industries that have to be permitted or the municipalities that have to take it in, do you have some kind of model that measures that?

MS. JANET HERRIN: As far as what -- if we were going to hold water longer in the tributaries, what impact would that have in terms of water flow? Yes, we have the hydrologic models that enable you to go in and take a look at those. Now, how do you value it? That's a different story, but just in terms of water flowing past, yes, we do.

MR. ROGER BEDFORD: Well, I think that would be helpful to the Council if we go through the issue of how long do you want to keep the lake levels higher or do you want to keep them higher, what's the trade-off downstream to X number of industries and X number of jobs and costs and that kind of thing.

MR. RUBEN HERNANDEZ: Roger, in addition to your previous question dealing with trending, we have performance indicators that aim to

trend upward for the good conditions. So that is our target every year, you know, getting better and getting the conditions out there better.

MR. ROGER BEDFORD: Thank you.

MAYOR EDDIE SMITH: Any more questions? Well, that's that. Thank you very much. We had a lot of information and we appreciate that so much. We're a little ahead of schedule, but I

think it's quite appropriate because we do have a good number of cards here for persons who want to come before the Council and express some concerns that they have, and I think we should go right into that at this time.

Is there anyone who is here who have not turned in the card that would like to speak to the Council from the public?

If not, then based on the number of cards that we have, we think we can get these done by lunchtime, providing we keep our comments to three to four minutes. So with that set of ground rules that we will try to do, we will move right into the public hearing part of this session. And then if someone comes in afterwards, we'll have to deal with that also.

I think this is Judy B. Miller from the -- the Executive Director of the Marshall County Legislative Delegation, are you here?

Come right on up. I think you can use that --

MR. PHIL COMER: I'm sorry. I didn't hear who she was representing.

MAYOR EDDIE SMITH: The Marshall County Legislative Delegation. She's the Executive

Director of the Marshall County Legislation Delegation.

MR. PHIL COMER: I still didn't hear.

JUDY B. MILLER: Thank you. I am representing the Marshall County Legislative Delegation; and that is, State Senator Hinton Mitchum and Representatives Howard Hawke and Frank McDaniel.

First of all, let me say that we appreciate the regional Council meeting in North Alabama today and the opportunity that that provides for us to have public comment on issues that are important to our area.

Our legislative delegation has asked

me on their behalf and on behalf of Mayor James Townsend in Guntersville and our citizens all across Marshall County to express their strong convictions about the importance and the continuation of TVA's resource stewardship activities and appropriate funding for those activities.

Some of you may know that we have a beautiful 69,000 acre lake on the Guntersville Reservoir system. That water not only generates electrical power and drinking water for thousands and thousands, but it is also absolutely essential

to our economy, to a heavy recreational and tourist trade, the recruitment of new industry and the quality of our lives in general.

We appreciate TVA's stewardship commitment to the resources that they are responsible for. Mr. Hernandez, TVA has done a wonderful job of managing our resources in the past, but we all recognize that as times change and leadership changes, and sometimes the focus and objectives change as well, and that causes some concern for our state legislators, especially with deregulation looming on the horizon.

We have a somewhat unique situation

on the Guntersville Reservoir in dealing with an overabundance of aquatic plant vegetation. It has been estimated that hydrilla and milfoil will cover about 20,000 acres this year, and without proper aquatic plant management, the plants hinder access and have numerous adverse effects on our local economy.

TVA has demonstrated that they are very capable, fully capable of managing this situation, and indeed, they have executed a good plan with a considerable amount of public input, support, and cooperation.

But for the record today, Senator Mitchum and the Marshall County Legislative Delegation would like to, first of all, thank the Council for your efforts to address important stewardship activities through your advisory capacity, and today we would specifically like to ask you for your help and support in ensuring that TVA maintains those responsibilities and that they are neither eliminated nor reduced from funding in the future.

Thank you very much.

MAYOR EDDIE SMITH: Okay. Thank you.

MR. STEPHEN SMITH: Wait. Now, Mr. Chair, are we going to be able to ask questions of the individuals at this time? I think we want to --

MAYOR EDDIE SMITH: We will try to --

MR. STEPHEN SMITH: -- be able to interact. I'm sorry. I missed your name, but is there a particular thing that you-all are seeing that you're particularly afraid of that you feel is most in jeopardy that you could develop a little bit more for us?

JUDY B. MILLER: I guess from year to year there's just always an uncertainty, a little bit of uneasiness that the funding is going to be

there. We see that as a very important stewardship responsibility to the people of our area. And like I said, TVA has done a wonderful job, we know they can do it, but from year to year there's always that uneasiness that the funding is going to be available.

MR. STEPHEN SMITH: So there's nothing in particular now that has dramatically decreased that you-all are -- it's just --

JUDY B. MILLER: No.

MR. STEPHEN SMITH: It's just sort of the looming uncertainty that you're most concerned with?

JUDY B. MILLER: It's always looming on the horizon, right. TVA did a -- we developed, with the help and support of a stakeholders' group, we developed a long-term management plan that was fully implemented last year. They are -- as a matter of fact, today we sent out the notices, helped TVA to distribute those, they will be starting next week on this season's program. Now, next year, you know, is still up in the air.

MAYOR EDDIE SMITH: Thank you. The next person is Jan Jones, who is Executive Director of the Tennessee River Valley Association.

JAN JONES: Good morning. Again, let me add my welcome to the members of this prestigious Council to North Alabama. I am Jan Jones, Executive Director of the Tennessee River Valley Association, a regional non-profit economic development organization serving the entire Tennessee Valley region. It's certainly a pleasure to be here this morning and observe and listen to the discussion

carried on by this Council.

I would like to go back just a second, many of you I know and have worked with over the years. There are some of you that I have not had the pleasure to meet or get to know personally. So let me go back just one second. As you know, TVA was created primarily to harness the Tennessee River and serve as the national model for economic development.

Historically, the Tennessee River would either be a raging uncontrolled river flooding communities along its banks and washing away valuable crop land or it would have such low water in many areas that navigation was absolutely impossible. Industrial opportunities were virtually non-existent and farm land was used up from overuse and poor agricultural practices.

The TVA region was one of the poorest in our nation, but with the creation of TVA and a series of locks and dams that harness the river and provided reliable, consistent navigation opportunities, which in turn provided for industrial growth opportunities, dependable flood control, lake levels, and recreational opportunities, and a

consistent supply of water from municipal and industrial usage, TVA developed unique farming techniques and fertilizers to improve the agricultural opportunities to their land management practices and excellent economic industrial leadership for the region.

And another benefit, as we all know, of the dams was the hydro generated electricity. This low cost electrical power helped to lure industry to the valley.

Now, as each of you are aware, since 19 -- well, since last year, federal funding for these non-power programs has been eliminated and the money for these programs that all of you have discussed today have to come from power revenues.

I would encourage each and every one of you as you debate and discuss all of these important issues to remain very much aware of one

primary issue, and that's to make sure that since Congress is not funding these, quote, non-power programs, that these programs continue to receive funding at the highest possible level.

Should any of these programs, and

especially navigation and flood control, be diminished, then our economic and industrial future would most certainly be negatively impacted, and we'd receive that impact almost immediately.

We must not only protect but continue to improve one of our most God important, God given natural assets, and that's the great Tennessee River system. And I think as you can also tell, the Tennessee River system navigation, flood control, water quality, usage from municipal industrial, water levels for recreational use, one is interlocked with the other. And I think we have had some tremendous presentations here today explaining this interconnection.

So as you go through your debates, if I could just offer one word of encouragement, and that would be, when you make a recommendation to the TVA management it be to continue funding all of these programs at the highest level.

I appreciate the opportunity to be

here today. I have enjoyed it very much and it's certainly nice to see a lot of friends that I have known for many years, and I look forward to getting to know many more of you.

Thank you.

MAYOR EDDIE SMITH: Thank you very much.

MR. STEPHEN SMITH: Mr. Chairman, I have a question for Jan. Jan, do you have a second?

In your work with the navigation community, have you-all -- I mean, obviously there's big tickets items, like the Chickamauga -- the lock there that you-all are very clearly tracking very closely, and you may want to give us your, you know, very tight sort of recommendation because we're going to be talking about that a little bit later this afternoon and you have got a lot of expertise there.

The other thing is that my sense is that one of the things that this Council is going to want to do over time in recommending to the TVA Board is to talk a little bit about -- you say fund at the highest level, but you also, I'm sure, are aware that there is a -- of all of competitive -- competing pressures for money since it's coming out

of power revenues, and I guess what I don't have a clear sense of, and I am not asking for it right

now, but it might be something that would be valuable for your group to provide for the Council in our ongoing deliberations is some sense of what is that sort of minimum level of funding support for navigation that if you -- if it was to go below that you feel like it would really be having an adverse impact on your constituents.

JAN JONES: Steve, I think the funding level will depend on what the program activity is. For example, you mentioned Chickamauga Lock, certainly I don't think any of us would really anticipate seeing the funding for a replacement lock at Chickamauga come out of power revenues. If we did, I mean, we're talking, you know, multimillion dollars.

MR. STEPHEN SMITH: I understand that. I am thinking of the ongoing annual requirements to maintain --

JAN JONES: I don't have any figures for FY 2001 just right at hand, but certainly I'm sure that each of the different sections within the non-power resource group presents a budget or a budget request to the board and whatever the maximum

level is, I think it should never, you know, be

below that. And again, that depends on what activities are needed.

You asked about Chickamauga Lock, and I don't want to take a lot of time, I think most people are aware of the need for a replacement lock at Chickamauga Lock. Otherwise, we are really -- we're looking at a most definite finite lock, the Chickamauga Lock, and our best guesstimates at this point are ten years.

We cannot allow the upper section of the Tennessee River to be closed permanently, not only for navigational commercial interest but for recreational. If Chickamauga Lock closed, we could also lose the use of the locks at Ft. Loudon and Watts Bar.

It would not really be necessary for the Corp of Engineers, which actually operates the locks for TVA, to continue to operate those locks on a 24 hour basis. The Vol Navy would certainly be impacted, as well as a lot of other recreational users, to say nothing of commercial and navigation.

Would TVA be required to maintain a consistent cool level? Would they be required to maintain a consistent navigation channel?

There are a lot of questions that are associated with the Chickamauga Lock that are not just commercially navigation-wise but hope to get a little bit more information on this particular subject in Washington June 7th and 8th as Congressman Zach Wamp will be holding congressional briefings on this. I'd encourage anyone that is here today to participate in that, a lot of good information.

MAYOR EDDIE SMITH: Thank you very much.

MR. STEPHEN SMITH: Please share that with us when you get it. I think that's going to be very valuable, if you would.

JAN JONES: Will do.

MAYOR EDDIE SMITH: Thank you very much. The next person is Dave Cooper who is with C.L.U.A., I think I got it right, C.L.U.A. I don't know what the acronym is.

DAVE W. COOPER: Hello, my name is Dave Cooper, and I'm with the Cherokee Lake Users' Association.

MAYOR EDDIE SMITH: Okay.

DAVE W. COOPER: I greatly appreciate the opportunity to address the TVA Regional

Stewardship Council. We would like this Council to recommend to the TVA Board of Directors that they approve a resolution to delay the drawdown of all tributary lakes until October 1st of each year.

Can the Board of Directors do this? Yes, they can.

The Environmental Impact Statement of 1990 allowed the Board of Directors to delay the drawdown of these lakes until October 31st. All the required paperwork is done. The TVA Board, at its next meeting, could approve this and initiate it this year.

Why would the Board do this? Because it's the right thing to do.

As we all know, TVA must balance a number of things, flood control, navigation, power generation, environmental concerns, and economic development.

Flood damage reduction: According to the 1990 Environmental Impact Statement flood control operations would not be significantly impacted if the drawdown of the tributary lakes were delayed until October 31st.

Navigation: Delaying the drawdown would improve navigation allowing barges to come up

to the Forks of the River Industrial Park two months later in the year.

Power generation: The same amount of electricity would be generated either way. The power currently generated in August and September would be generated in October, November, and December.

Environmental concerns: Delaying the drawdown would have a significant positive effect on the environment both in and around these lakes. Taking the water from these lakes in August puts extreme pressure on the fish, wildlife, and leaves a desert-like ring around these lakes as early as September 1st.

Economic development: Studies, both inside and outside of TVA, foresee tremendous benefits to economic development if the drawdown were delayed. The economic impact to the counties surrounding the tributary lakes could be comparable to putting a new medium sized manufacturing facility in each of these counties.

So why hasn't TVA done this? Over the years we have met with many of the TVA representatives that are here today. They are well aware of the positive impact this would have, but in

today's world their hands are tied. No matter what they do, someone will complain. So TVA is forced to do studies, survey the stakeholders, and have Regional Stewardship Councils.

TVA water management people know this is the right thing to do, and I believe this is what they want to do. Unfortunately, knowing that they should change or having individuals ask for change is not enough. Even having numerous lake associations ask for change is not enough.

TVA needs your input. They need a Regional Stewardship Council to tell them what -- that this is the right thing to do.

So, please, recommend to the TVA Boards of Directors to delay the tributary drawdown to October 1st. It is the right thing to do.

Thank you.

MAYOR EDDIE SMITH: Thank you very much. Any questions? We will move on to the next person.

MR. THOMAS GRIFFITH: You mentioned this power generation, I would assume that the drawdown is coming about because of the need to

24 produce power, I would assume that would be it.

25 DAVE W. COOPER: I don't think --

1 MR. THOMAS GRIFFITH: And the fact

2 that the same number of kilowatt hours can be

3 produced throughout October, November, and December

4 is very well true, I'm sure, but is there -- is the

5 need not greater in August and September for the

6 generation capacity of TVA because of the peak power

7 load in the hot summer months that most of the

8 South -- most of the valley rather encounters, is

9 that probably the reason that they are pulling the

10 water down, sir?

11 DAVE W. COOPER: That's definitely

12 one of the reasons that I have heard. Please keep

13 in mind that because of all of the water that is

14 taken in August, there is not as much water

15 available in October for generation. And if you

16 will look at their statements, their quarterly type

17 statements --

18 MR. THOMAS GRIFFITH: Yes.

19 DAVE W. COOPER: -- their year ends,

20 I believe, the end of September, and their revenues

21 for power generation drop off immensely after

22 October 1st because there is no water to generate.

So is that need so severe that you have to generate it in August? I'm sure there's a need in August.

Is it better off overall to hold off that until later on? Is the economic impact greater to these surrounding counties if you wait?

I mean, you're helping navigation. You're adding this recreational benefit to all the counties around it. You're improving the environment.

Is August the right time to take the water or is it the right time to buy electricity from somewhere else? That's a tough question, and it's one I am sure they struggle with every year.

MR. STEPHEN SMITH: Dave, I have a real quick -- and could you provide for me or maybe the other Council members who are interested, you talk about the significant positive effects on the environment of keeping the lake levels up, I mean, that's one of my issues that I am really grappling with in this, you know, what are the environmental impacts, and I haven't been able to get solid information on that.

So you reference some here, I would love if you could share some of that with me, because I know that's going to bbe one of the things as we go forward with this discussion.

DAVE W. COOPER: I would highly

recommend you get a copy of the 1990 Environmental Impact Statement and read it more than once. It does go into environmental impact. It is not strictly lake levels.

In the case of Cherokee Lake, we have fairly regularly large die-offs of fish in the month of August. What happens is you're pulling the colder water out of the bottom of Cherokee Lake. The striper and rock fish must have cold water, but they must have water with oxygen in it. They will get trapped off in the areas of the lake that they will have to cross large areas of water to warm, so they will die off.

You will go out on the lake and there will be 100 striper, 20 and 30 pound dead fish floating in a big cove. You'll say, well, what happened here? Oh, they got caught in between oxygen deprivation and temperature problems. If that water was taken in October they wouldn't be

caught in that temperature problem.

Come out to my dock in the middle of August and I will show you plants that have died. I'll show you crayfish that have died. It's just -- you know, I hear people around here talk about aquatic plant life and how great it is TVA takes

care of it. Cherokee Lake has no aquatic plant life.

As you know, aquatic plant life is important for putting oxygen in the water and cleaning the water. We don't have that plant life because of the way the lake is operated. Instead of getting rid of it, we would like to have it.

MAYOR EDDIE SMITH: Okay. Thank you. Any more questions?

Dave Kiger, Board Member of the Tennessee Marietta (sic) Association, Marina Association.

DAVID KIGER: Good afternoon. My name is David Kiger from Knoxville, Tennessee. I'm a Director of the Tennessee Marina association. We very much appreciate the time and efforts of this Council to look into some of the issues that are put

in front of you. It's a very tough row to hoe, I'm sure, for many of you, and we appreciate your time.

The Tennessee Marina Association represents approximately 200 marinas and over 312,000 registered voters across the State of Tennessee. Right now our largest concern is the lake level drawdown.

Lower lake levels during the summer

months prevent access to many Tennessee lake areas and prohibit boaters from using many facilities across the state. Not only does it directly impact marinas, boat rentals, restaurants, recreational activities, but it also indirectly impacts many things, such as the loss of sales taxes and gasoline taxes. Last, but certainly not least, tourism is probably the most effected by these drawdowns.

These drawdowns take money directly out of the local economy. Dr. Stephen Smith was very accurate when he spoke about the growing exposure of this Council. Please don't take my word for it, talk to your stakeholders.

The Tennessee Marina Association is gaining momentum and support from many other groups, such as T.W.R.A., The Tourism Roundtable, and many

local Chambers of Commerce. All of these people are following and will continue to follow this Council's actions. We encourage you to realize the potential economic impact of maintaining lake levels for a longer period of time. This idea is not only gaining support from the business economic side, but obviously also from the thousands of recreational boaters as well.

We understand that TVA has their own

priorities. Some of these priorities seem to be legitimate and some do not. We very much appreciate the time that Ron Logan and Greg Logue have given to the Marina Association to explain some of these priorities to us.

However, we feel that there has got to be a compromise somewhere when it comes to the local economic dollars lost. We don't know what that compromise is, but there has got to be a compromise somewhere.

Please consider our recommendation to delay the drawdown. We offer our full support and resources of the Tennessee Marina Association to you and encourage you to use it.

Thank you very much for your time.

MAYOR EDDIE SMITH: If there are no questions, we will move on to the next person.

MR. AL MANN: I would just like to clarify something here. In your first paragraph of the letter you passed out, you represent 312,000 registered voters across the State of Tennessee, and it's strictly in Tennessee?

DAVID KIGER: That's just Tennessee.

MR. AL MANN: Okay. Thank you.

MAYOR EDDIE SMITH: Okay. The next

person is Frank C. Dominick, who is the President of LOUD.

FRANK DOMINICK: Thank you, Chairman Smith, Dr. Jackson, Members of the Council. Good morning. I'm Frank Dominick, President of LOUD, Landowners and Users of Douglas Lake, representing 600 members, and Chairman of the Tributary Lake Council representing the lakes of Douglas, Cherokee, Norris, Boone, and Fontana.

On behalf of both organizations, I appreciate this time to present our combined belief that the unrestricted drawdown of these tributary lakes, as well as the other 11 tributary lakes, can

be delayed from August 1 to October 1.

First, we believe the incremental economic benefits to the areas surrounding these lakes will be significant. There is no doubt that the manufacturing sector in most of these communities provides a strong foundation for jobs and income.

However, it is well documented that a two-month delay in the unrestricted drawdown will provide additional benefits from tourism trade, visitor days, and local business. I reference a study completed by the University of Tennessee,

Center for Business and Economic Research, of which you-all have copies, identifying conservatively an increase of $11,000,000 to the economies of the six counties surrounding Douglas and Cherokee Lakes and creating an additional 2,000 jobs.

I would also like to point out that because this study did not address all of the benefits of a delayed drawdown, such as significant growth in the taxation revenue to the counties from increased property values, the authors have stated that they believe the results are merely the tip of

the iceberg.

Another study completed by the U.S. Department of Forest Services that concentrated on the areas surrounding the North Georgia TVA lakes indicated an incremental increase in economic benefits of over $24,000,000 and a similar creation of additional jobs.

A third study completed by the U.S. Agricultural Department for the Western North Carolina TVA lakes indicated an incremental economic benefit of over $18,000,000 in the creation of an additional 780 jobs.

In total, these studies identify additional economic benefit of over $53,000,000 and

the creation of over 4,700 additional jobs. These are significant numbers that simply cannot be ignored.

We also believe that the drawdown of these lakes during the latter part of the prime recreational season contributes dramatically to the escalating erosion, siltation, and negative environmental impacts of these lakes.

In addition to the significant impacts I just defined, TVA data included and the

1990 environmental impact study indicates that the delay in the unrestricted drawdown from August 1 to October 1 will not have a negative impact on the responsibilities for flood control and navigation.

The organizations I represent today are well aware of the complexity of the Tennessee River system. We also fully understand the relationship the Tennessee River system has with the other responsibilities and natural resources managed by TVA.

I am here today to strongly urge you to use your influence to recommend that TVA delay the drawdown of these lakes from August 1 until October 1. The research our organizations have done indicate that this can be accomplished without any

negative effects on the other responsibilities, such as flood control and navigation.

For more than 40 years the drawdown of these tributary lakes commenced on June 1, nearly three weeks before the official start of summer. In 1991 TVA delayed the start of this drawdown process until August 1 without any adverse effects.

It is now time to recognize the

9 changing demographics, economics, and the increasing
10 importance of recreation to the economies of the
11 regions surrounding these lakes and move the
12 beginning of the unrestricted drawdown of the
13 tributary lakes from August 1 to October 1.
14 On behalf of the organizations I
15 represent, we recognize the depth and wealth of
16 talent within TVA. Therefore, we request that this
17 Council recommend to TVA in compliance with the GAO
18 recommendation and in response to page 17 of the TVA
19 annual report an in-depth study of delaying the
20 drawdown until October 1 commence immediately.
21 We totally support Mr. Comer's
22 recommendation to move the date to August 10th this
23 fiscal year to demonstrate the sincerity on the part
24 of TVA's Board of Directors.
25 Thank you for your time and

1 attention. I appreciate your time.
2 MR. ROGER BEDFORD: Mr. Dominick, I
3 appreciate you being here, and this is a good
4 presentation, very informative. One thing that
5 stuck out to me was that just nine years ago you got
6 it moved and captured two new months there, and now,
7 you're back before us asking again for us to support

moving two more months.

What impact studies have you had on what, if anything, that does downstream as it relates to utilities' ability to drawdown and the industrial discharge permits?

FRANK DOMINICK: The studies that we have had so far indicate that there wouldn't be any negative impact of any other responsibilities downstream.

MR. ROGER BEDFORD: Do you have that available for us?

FRANK DOMINICK: I can get it. I did not bring it today.

MR. ROGER BEDFORD: Thank you very much. Thank you, Mr. Chairman.

MR. STEPHEN SMITH: I want to ask a question also. You mentioned some of the erosion environmental benefits and other things. Have

you-all put those into a collection?

I mean, if I was to request sort of your take on the environmental benefits associated with keeping the lake levels up two additional months, I mean, I'm very interested in that and

that's one of the issues that's helping me grapple with this.

I mean, is there -- is there -- has there been much work? Have folks at LOUD or any of the other tributary lakes really sort of tried to capture the essence of the issues associated with water quality, erosion, siltation, and everything associated with that?

FRANK DOMINICK: I'm glad you asked that, Steve. Thanks. Actually, LOUD has done that. We have formed a separate committee that has been working for about the last six months with the land management people at TVA trying to come up with different ways to restrict the erosion process and to measure the erosion process.

At this point in time, they're working on a couple of different alternatives, that if permitted, we can experiment with to begin to measure some of that impact. I might say that the folks from the TVA land management group have been

extremely cooperative in working with us, we're really pleased with that, but we should have some kind of data, provided we get permit approval and get the implementation in, we should have some later

next year.

MR. STEPHEN SMITH: Great. I would like to know more about that. So maybe we can talk off-line about that.

FRANK DOMINICK: I'd like to do that. Thank you.

MAYOR EDDIE SMITH: Yes?

MR. BRUCE SHUPP: Mr. Dominick, let me follow up on Mr. Bedford's question. Are you alleging that there's no downstream negative impacts from delaying the withdrawal -- the drawdown?

FRANK DOMINICK: The research that we have right now indicates that there is none.

MR. BRUCE SHUPP: There is none to anything?

FRANK DOMINICK: There is none.

MR. BRUCE SHUPP: Why do you believe then that there's -- that water levels are drawn down?

FRANK DOMINICK: Well, I think what's important to note there is that the research that we

have says there is none, because we understand that at times during the year, especially during the

summer, that there is going to have to be periodic releases of water to support the quality of aquatic life below the dams for navigation and for some of the responsibilities mentioned earlier, such as water intake and permits, and we know that that water is going to have to be released to protect that.

What we're saying is that the unrestricted drawdown doesn't have to begin August 1 to provide protection for those kind of responsibilities. TVA can release water to protect those and generate power when they do it. They just don't have to pull the plug August 1. That's why our research indicates that there really is no negative impact because the water --

MR. ROGER BEDFORD: Mr. Chairman -- excuse me, Bruce, are you through?

MR. BRUCE SHUPP: I am through.

MR. ROGER BEDFORD: Where is TVA supposed to release this water from if they don't release it from your area?

FRANK DOMINICK: We fully expect that at any point in time TVA will have to release water

from the tributary dams and the tributary lakes

behind those dams to support those responsibilities, we fully understand that's where the water has to come from. We just believe that periodic releases can satisfy those responsibilities rather than the full unrestricted drawdown.

MR. ROGER BEDFORD: Thank you.

MR. BILL FORSYTH: Roger, what TVA is doing right now, as I understand it, is maximizing power output, that's the downside is some loss of some expensive power output, but they could do all of the other functions and not affect the tributary lakes so deeply.

Am I correct in saying that?

DR. KATE JACKSON: I think it probably would behoove us to talk about that in more detail, but basically the way we withdraw water beginning August 1st allows us to meet all of the demands, including not putting ourselves in the situation where the only way to get to flood storage levels by releasing fully unrestricted draw. October 1st, it would require spilling at multiple facilities all the way down and not generating that power, and, in fact, with potential environmental impacts, but I think that's something that probably

we need a more detailed discussion of.

MR. AUSTIN CARROLL: I have a question.

MAYOR EDDIE SMITH: Yes.

MR. AUSTIN CARROLL: Have you-all looked at any ways that you might be able to come up with the money that would be lost because of not being able to use the water for generation as efficiently as maybe TVA does now?

I mean, we're talking about all of these economic impacts in the millions, and from what I have heard, it must be getting into the billions by now. Everybody that gets up talks about several hundred million. I mean, there's plenty of money laying on the table somewhere.

Is there a way that could be used to -- some of that could be used to reimburse TVA for lost revenue or are there other things that you-all might have looked at that could mitigate that situation?

FRANK DOMINICK: Thank you for the question, that's a good question. Actually, TVA has done a lot of that research and publicized it in the 1990 study.

There are several ways to recover any

of that cost, mostly through user fees, very similar to what they do at Ocoee where they charge for whitewater rafting. You can either do it through parking permits, licensing additions for fishing, registration fees for boaters, I mean, there's many ways to recover that money.

I think the important thing though is, first of all, find out exactly what that cost is, if there is any cost. I think that's one of the reasons why we're such a strong proponent of getting this -- this study updated for the last ten years to get behind exactly what those impacts would be, but there are several -- in fact, the 1990 study listed seven different alternatives to add revenues to offset TVA if there was any loss of power.

MR. AUSTIN CARROLL: Thank you very much.

FRANK DOMINICK: You're welcome.

MAYOR EDDIE SMITH: Okay. Thank you. Appreciate it. Wayne Basak, who is a resident in the North Shores.

WAYNE BASAK: You couldn't have picked a better time because both Frank and Dave have said much of what I have to say, and I have to reiterate what Frank has said.

Now, I have used a lot of the documentation that Frank has come up with as far as using the University of Tennessee, University of Georgia, North Carolina studies, all of which Frank did and their organization is doing to support the points that he and I have to make; and that is, to limit the drawdown from August to October. I fully support that.

And our -- let me, first of all, give you some information as to where I come from. I'm a member of the Property Owners' Association on North Shores. We're a community of about 400 properties and we have about 70 some odd on the lake. About 100 homes have been built these, and of those you can imagine the majority are built on the lake.

I have got some facts that I think can help some of the questions that you have given previously. Tom, I don't remember -- I didn't catch your last name, but you were talking about rainfall and that sort of thing, I have some facts that will support that.

Let me read you a letter from one of our residents. The concept of extending the recreational time by as much as 50 percent, now 50 percent is two months, if you say April through

July, that's four months, so two more months is 50 percent, is extremely desirable. Most of the month of October still supplies a great many days that can be enjoyable. Tourist can enjoy the extension as well.

If you will allow me -- Ferrell, could you bring that draft? I don't have the wherewithal and money and all of that to make these charts and fancy presentations, so I have got a little chart I would like to show you. I also didn't realize that there was a time constraint. I was never advised of the three to four minutes.

MR. BILL FORSYTH: What lake are you on?

WAYNE BASAK: Norris Lake just above Knoxville. It's nice to have help. Okay. This is some of the pluses that I think -- I don't know if you can all read this or not. I will read the basis for it.

A significant extension of usable lake time means increased property values, commercial and residential, increased property values translates into a higher assessment and

24 higher taxes for the community. More lake time
25 brings more commerce. Local folks come out to the

1 lake for a day and tourists come out from out of
2 state, everywhere throughout the United States.
3 More commerce brings more jobs. More jobs yields
4 more businesses and taxes. And I think those are
5 concerns that TVA has, too.
6 We join the property owners and
7 residents of all of the other TVA lakes, and as I
8 said before, Jim, who has presented some tremendous
9 arguments, if you would just read some of his
10 information, I have with me copies, and I am sure
11 some of you, if not all of you, have seen some of
12 his documentation. This is what it looks like. I
13 hope, if you haven't, ask Frank for some of that.
14 In helping me prepare for this
15 presentation I reviewed letters and documents by
16 LOUD and TVA. And one of those documents that was
17 provided by TVA indicated that both rainfall and
18 temperature are a function of their drawdown. Well,
19 let me give you some facts, and I just got these a
20 couple of weeks ago. The average rainfall in July
21 is 4.33 inches, August 3.02, September 2.99, and
22 October 2.73. So I don't think that drawdown is

23 necessary to protect flooding downstream.

24 In addition, let me give you some

25 other information. July has an average temperature

1 of 87.1 degrees, August 86.7 degrees. If we were to

2 say that August is, in fact, the hottest month of

3 the year, this is not, in fact, the truth, and this

4 is provided by the National Weather Service.

5 The temperatures are recorded over 30

6 years. So we can't say just the last five or ten

7 years. The water fall is recorded from 1871 through

8 1990, this gives you a pretty good feel for that.

9 Let me go on. I had to abbreviate

10 some of this because of time. These figures --

11 well, I took that one out. Hold on.

12 A document by LOUD dated

13 September 17th, '99 says that fall is when people

14 visit our area coming from all over the nation. Our

15 lakes and shores are barren. Water is down

16 sometimes between 20 and 40 feet.

17 By the way, I do live on the lake and

18 I am living in a cove and I see this significant

19 drawdown. We even have one resident who has his

20 dock on land 50 percent of the year because of the

drawdown, now, that's pretty bad.

Another point made by LOUD is the value of the lakefront property. Let me cite some facts. This is from our own subdivision. Lakefront property in North Shores varies from 60,000 to over

100,000, and that's for an acre or two acre property, that's pretty expensive. Property away from the lake, that is what they call lake view properties, varies from 12,000 per eight acres to 20,000. This, again, agrees and supports the publications by LOUD. Those property values are important.

The February 14th LOUD publication, I've got to stick with Frank, indicates that TVA has one responsibility that is seldom mentioned, No. 6, the economics and social wealth -- social well-being of the people in this said water basin.

Our residents supports the LOUD alternative. We suggest that this committee recommend the LOUD alternative. We think that the August drawdown that was recommended, the ten days may be a good starting point, but we still believe that we can push that back from August to October.

Are there any questions?

MR. ROGER BEDFORD: Mr. Chairman?

MAYOR EDDIE SMITH: Yes.

MR. ROGER BEDFORD: I will be honest with you, on my -- the face of it, when I first got involved in this committee, it just seemed like the natural thing was to back it up, but now I am trying

to understand the reasoning for it. I think I am getting a better understanding for it. Apparently in 1990 TVA did a report.

WAYNE BASAK: Yes.

MR. ROGER BEDFORD: And then in '91 they give you two more months of high levels?

WAYNE BASAK: And that's part of what I cut out of my presentation today because the time that -- why can't they look at it again?

MR. ROGER BEDFORD: Well, that's what I am going to ask you. Don't you think it would be better for TVA to update their report, like they did in 1990, before a decision is made within ten years to give an additional two months to it before that report is completed on the impact that it might have on the whole integrated system?

WAYNE BASAK: Well, I have to support

Frank's views and Frank's information that he got. I don't have the extensive organization to look up all the facts and the answers that you're looking for, but I do think that the reports that Frank got, and if you read through the LOUD documents, he has a tremendous amount of information in those documents that support that point of view that going back from August 1st to October 1st is not going to

significantly cause problems.

MR. ROGER BEDFORD: Is there any way that you could statistically or Frank or Richard, or whomever, excuse me, Frank, Mr. Dominick that came up here earlier, and I appreciate you being here, you are talking about lakefront values, is there any way to quantify, independent of the fact that all water frontage has gone up in the last ten years, what quantified value was added to those 60 days that you got in 1990?

In other words, let's say lakefront property went up $10 a foot anyway over ten years, what percentage of that was due to the fact that a lakefront property owner could enjoy his dock at a certain level for 60 more days in the year, has anything more been done with that?

WAYNE BASAK: I am not sure that dock is the important point. I think real estate values are the --

MR. ROGER BEDFORD: Well, that's what I'm talking about, real estate value. A big component of water frontage is how much footage you have. And you're also saying another big component is the elevation level of the water, and I think you're probably correct about that.

What I am interested in is since 1991 when you got the 60 days back, how much has property value, if any, increased because of the 60 days versus just the general fact that all waterfront, whether it's beach or lake, has gone up in ten years?

WAYNE BASAK: How much can we attribute to the fact, you're saying, to this TVA area?

MR. ROGER BEDFORD: No, sir. For the extra 60 days that you have that your dock or your water level is up?

WAYNE BASAK: I can't answer that question. Frank, do you have anything on that?

FRANK DOMINICK: No. The study that we have done stops short of gauging the inflationary values on the property strictly because of --

DR. KATE JACKSON: You need to come to a microphone so we can record your comment.

FRANK DOMINICK: Thank you. The studies that we had done did not have enough time or funding to go into a quantitative analysis of the impact on property values strictly related to the delay in the drawdown. The only thing we can measure it by is the change in property values,

that's -- there's no way to correlate that strictly to change in lake levels.

MR. ROGER BEDFORD: I understand that was just part of the argument, and I assume there must have been a statistical breakout of that line, and that's fine. I appreciate that. Thank you.

FRANK DOMINICK: No, there's not. Thank you.

WAYNE BASAK: Just the big point that I was trying to make is that lake property is valuable, very valuable. If you consider the cost of lake property over $100,000 for ten times that property off the lake at 12 to $15,000, this gives

you a look at what the value of the lake property is. That's a true fact coming from my organization.

MAYOR EDDIE SMITH: Okay.

MR. PAUL TEAGUE: I have more of a comment than really a question. I think everybody on this Council has been made aware of the problem, and I think we are all sympathetic to the problem.

One thing we're losing sight of a little bit is these individuals, residents, property owners, they knew this problem before they became involved with this property. It's kind of like, I guess, concern -- I get concerned when you hear

about a person that builds a house at the end of a runway and then wants the airport to shut down because of noise level, this concerns me just a little bit.

And I would like for you-all to keep that in mind when you bring these discussions. We're sympathetic to the problem, if it doesn't cause any impact downstream. But you people say it doesn't, other people say it does. We need to know, does it or doesn't it?

I would like for you people to keep

in mind, you knew TVA bought that property for flood control, for reservoir, and for drawdowns, so that's the negative as far as you people's argument, even though we are sympathetic, and we're going to do all we can to work out a balance between what's right on one end and what's right on the other.

WAYNE BASAK: We're not against drawdown. We knew drawdown was going to occur. In fact, I have to applaud TVA for creating a reservoir to protect the people downstream, I think that's fantastic, and for the other things they do. In fact, we were highly supportive and have recognized TVA for their achievements. We think this is great. That's not the point.

The point is it can be pushed back to -- from August to October. The land values are just part of it. Commercial industry, I talked to a friend just a few days ago and asked him, what's the impact on your oil industry? He sells oil and gasoline to the various people that are on the lake. He said, as the lake goes down, my losses go up. Now, that's commercial.

Every year Labor Day is a very important holiday. Every year, because of

drawdowns, some people don't come to our lake. Some industries, some marinas suffer because of that. Forget the residents' side of it. We're talking economics as far as the area is concerned.

I don't mean to make -- there are a lot of our residents that are concerned, yes, that's a personal concern, that's only one small part of it.

FRANK DOMINICK: I need two seconds to address the question.

MAYOR EDDIE SMITH: Okay. Come to the microphone.

FRANK DOMINICK: I will do this right quick. The point that you made is really a good point and one that we have wrestled with many times,

the fact that when we bought property on the lake we knew the drawdown was there and we knew the timing of it, that's quite true. What we want to impress with this Council is that our focus here is to provide the best economic benefits to the regions in which we're living right now.

I am in a community that's recently been devastated by the loss of two manufacturing

facilities with the deletion of something like 500 jobs. What we're looking at here is an opportunity to delay this drawdown and try and help supplement some of that by adding some recreational jobs for people in the area.

The idea of delaying the drawdown is not to benefit property values, even though that will probably happen, that's not the objective. The objective is to look at the best economic value that we can get for that water in that East Tennessee area, and right now we really do need the help from the recreational jobs.

Thank you.

MAYOR EDDIE SMITH: Okay. Thank you. Do you have another question?

MR. BILL FORSYTH: Paul, you made a valid point, but let me tell you about the lakes in

Western North Carolina, there is very little development on those lakes. They are predominantly forest service lands all around them. All the citizens in Western North Carolina consider those their likes. They talk about lake levels all the time. So it's not just homeowners.

Another point, in 1990 when TVA gave

those two months, that's not all they did. They also made an effort to fill the lakes up in the spring, which they had not been doing. So they did a couple of things that for 40 years said couldn't be done, and so people there say, well, if you're doing that, you know, why can't you do this, and now they are saying, well, that can't be done. So, you know, that's kind of the mindset we see with our citizens.

MAYOR EDDIE SMITH: Okay. I think we have had some --

MR. LEE BAKER: Chairman, I'd like to make a comment, if I might, in spite of the fact that I missed a lot of the meeting, and I apologize.

On the line of what Paul is saying, part of what bothers me about some of this publication is when statements are made that something like increased lake levels could be done

with no effect, you know. And in my mind, that's simply not an accurate statement. There has to be an effect.

And I think that's what we're willing to grapple with and be fair about is what that

effect is, but when one stated objective is single focus; and that is, to maintain or to increase, it seems a bit ironic to me that everybody is hounding in on the October 1 as a magic date. Nobody has suggested September might be helpful.

One thing says without any negative effect. The other one suggest that the fact that power generated in October, November, and December is essentially the same as August and September, and that's not so.

Power generated has a value and that value changes. Power generated in October, November is not the same value as power generated in August, nor would it be the same as generated in March. It's different. So that bothers me to see statements that I know are totally inaccurate, and it makes me suspect of the other statements, but I'm sympathetic, you know, I want to be fair.

Thank you.

MR. PHIL COMER: Mr. Chairman? Is

this microphone working?

MS. JULIE HARDIN: Yes.

MR. COMER: May I make one comment -- two quick comments?

No. 1, these two gentlemen that just spoke did not say this, but I also live in that neck of the woods, and I hate to admit this, but a high percentage of these people are what we call implants or immigrants from Michigan and Ohio and New Jersey, et cetera, et cetera. They come down here to visit Pigeon Forge and the Smokey Mountains and Dollywood in the summertime when the lake is up.

And while they, Paul, did not seem to disagree with the fact they knew it when they bought, a high percentage of these people are victims of real estate people who do not inform them and they don't know enough to ask.

Lake Michigan doesn't fluctuate 40 or 50 feet a year. So they come down here in June and July or in May and they are unaware that this happens, and the real estate people, believe me, don't tell them, don't volunteer this. Now, I'm sorry Lee left, because I wanted for him to particularly hear this.

MR. ROGER BEDFORD: It sounds like

some good litigation up there.

MR. PHIL COMER: I understand this

because buyer be aware is no longer legal, I understand.

This second point I want to make, and it has not been brought out be by of these speakers, and it is really a partial rebuttal to what Lee just said. These numbers are factually accurate, so you can check them, and Dr. Jackson can verify it, or not verify it, but this is a fact.

Out of the last four -- out of the last five fiscal years what we're talking about is, you know, robbing Peter to pay Paul. The fourth quarter of TVA's fiscal year ends September 31st, and certainly, the power is more valuable in August than it is in, say, October, November, December, but here is a fact that I think you should all know this: This current fiscal year is the first fiscal year, out of the past five, when TVA has not gone in the red ink their first quarter, October, November, December.

The prior four fiscal years TVA has gone into red ink their first fiscal quarter, October, November, December, and according to the quarterly and annual reports that they have printed,

which I have copies of, they have stated that one of

the reasons that they have gone in the red is that they have had to purchase power to meet their own requirements in the months of October, November, December, or in that first quarter.

And one of the strong arguments about leaving the lakes up, either take it now or take it later. And if you take it in your fourth quarter, then that water is not available to be used for your own customer requirements, and that's why, except for the current fiscal year, they have gone in the red ink the prior four years.

MAYOR EDDIE SMITH: Okay.

MR. STEPHEN SMITH: Mr. Chairman, can I -- and I know everybody is hungry. There are two things also about this because we may not revisit it exactly the same way but I think are important to bring up. One is a question and one is, I think, just simply a fact, and I had asked Phil to see if he had looked at this, and I am interested in learning more about this.

My understanding when you -- if you purchase power in the fall months when the temperatures are somewhat lower, it's a lot cheaper to purchase the power. You purchase power during

the wintertime -- I mean, during the peak times, in August, I mean, last year it hit $6,000 a megawatt hour, that's about 60 cents a kilowatt hour, and, you know, that's a big, big differential.

So I think there is a lot of variation in the pricing associated when the time is to purchase. So I think that if they -- they would be more in the red potentially -- it would be something to find out, I mean, I don't have the exact numbers on it.

The other thing that I would ask in a request is my understanding that when you're running peak power, you're dispatching your least efficient and your dirtiest plants right there at the end of the peak, and if you basically are denied the opportunity to run water through the hydro facilities during that peak time, in essence, because hydro units are many times brought on to help out with peaking, in essence, what you do is you run your dirtiest coal fired power plants harder. I don't know that for a fact, but I am thinking that that's a possibility.

What I guess I would like to have a better understanding of, or at least it needs to be in the mix of the discussion when we're looking at

the overall concept is, how much power is actually generated by these tributary reservoirs? That may not be that significant, I don't know.

And if that power is not available during the summer months, are there increased air pollution impacts associated with it not being available, because if you release the water in the fall, then you have a different dispatch order where you actually may be running some of your cleaner and more efficient plants.

Again, I don't have an answer to that, but I think that's another piece of this equation for me to help make a decision, because many of the folks -- the same people that are talking about the issues up there about lake levels are also experiencing some of the worst air quality in our region.

DR. KATE JACKSON: There are a couple of issues. One is the dispatch issue in the summer. One is getting enough power. There are times in the year that either you can't purchase it because there isn't any or you wouldn't want to purchase it because it's so expensive or if you did purchase it because of transmission constraints you can't get it there, that's an issue.

The additional issue, it's not so simple so that that power could be used in the fall months and we could have switched it and then not purchase power. Some of the reason for purchasing power is a little bit more complicated than what Phil talked about; and that is, because our fossil units run so hard all summer to be able to meet capacity demands, we need to take them off and do very necessary maintenance so that the forced outage rate can be low again during peak times in the cold winter months.

So there are times when we make a decision to pull units off and to do necessary maintenance and that drives us to purchasing off system power, which sometimes is cheaper than running those hydro units. So it's a cash flow and expense issue. It's not quite as simple as you could have saved expenses if you had shifted that water use differently.

MR. JIM CREIGHTON: Can I point out to the Council that we have nine more speakers.

MS. JULIE HARDIN: We can do them after lunch.

MAYOR EDDIE SMITH: That's what I was trying to get to. Hopefully, we can take a break at

this time for lunch and try to be back at 1:00, and we will continue with the hearing on this.

(Lunch recess.)

MAYOR EDDIE SMITH: Is Richard Bell here from Lake Nottely RV Park?

RICHARD BELL: Thank you for having us here today, and I appreciate all of the work that you're looking forward to, I'm sure. I have got two hats today, and I would like to start with the Lake Nottely Improvement Association, which is down in Blairsville, Georgia, where I am from.

As the founding president nine years ago, that organization has grown to a 300 plus member organization, and the reason that I was encouraged to start Lake Nottely Improvement Association was because of the '90, '91 study, depending upon which year you want to pick. It was actually February the 13th of 1991 when the TVA Board at Sequoyah Nuclear Plant approved the '90 study.

In that on -- in the back it said that TVA wanted to work with associations more than individuals. So that was my motivation to start

this organization. We hold semi-annual cleanups, educational seminars, trying to understand what TVA

does what they do and when.

Then on page 139 of, I call it, the gray bible, and let me comment on this a little bit, the first two chapters took me a long time to learn, and now you can read it in 40 pages, I guess.

The other interesting thing in the appendix is this is the only place at TVA I found where the lakes are all graphed on the same scale. So Fontana looks like this and some other ones look like this. Everywhere else they all have this nice Bell curve, and you go, what's the difference, but at least in this book you get a perspective of the different amount of drawdown of 70 feet or 10 feet or whatever it is.

The other thing that we have seized upon is on page 45 of the GAO report it talks about the mountain lakes study that we initiated eight years ago. We have spent $40,000 to hire some University of Georgia, and Tennessee by the way, graduates to work on the benefits and cost ratio and some of the things that we could hope to accomplish, because on page 139 of this it says that the Georgia

lakes, which have some good and bad points, we're in the hinterlands barely, we kind of feel neglected on occasion, to be honest, but the good news are that

our lakes are so small that we're the only ones in the '91 study that has no generating capacity requirements. So our cost was $1,000,000 a year each year with no big number up front.

And so we have gone after this one the good old fashioned way. We have tried to figure out, how can we pay TVA for the decreased value of power generated in the fall as opposed to the summer, because there is indeed a decrease in value. We acknowledge that. We have tried to come up with a way of paying for it.

So far, there isn't an easy way to crack that nut. Users' fees don't hack it. There's all kinds of reasons why that one just doesn't fly. We haven't come up with a way.

The economic benefits are there. I don't know where you get the seed money to get the ball rolling. And I am getting a little bit off my prepared subject, and I was hoping my wife would show back up to hand out my handouts.

Now, I want to put on the Dick Bell Lake Nottely RV Park. On my drive over here I thought I was going to have five minutes, now I am down to one, I guess, to try to explain to you something that I have worked on for 13 years. And

what's being handed out is a lot more detailed than can be handled in any reasonable length of time.

So I am hoping that I can prove to you that I deserve to be put on your agenda at a future date, so I have to start bragging on myself, and I don't like doing that particularly, but here it goes.

In 1987 I started to prove that TVA was not doing a good job. When you live in Lake Nottely in the mountains you might understand why someone would have that attitude. Fortunately, before I put my foot in my mouth, I went to the Knoxville TVA library. I talked with some very dedicated, hard working, intelligent TVA employees that set me on the right course.

And I have been accused in the Georgia mountains of being an employee of TVA. I have defended TVA, occasionally criticized. I started the Lake Nottely Improvement Association,

brought in people to educate us to what TVA can and cannot do.

Georgia has two and a half TVA lakes. Half is Lake Chatuge because the people in North Carolina says it's the North Carolina lake. Well, I think it's a Georgia lake. So we'll compromise

half. The other one is Lake Blue Ridge and then Lake Nottely, sometimes referred to as Lake Nott.

On the cover of what I have handed out to you, you have yesterday's pictures or the day before of -- on the front cover, a nice color picture. Lake Nottely is first, Lake Blue Ridge is second, and Lake Chatuge is third.

Currently, we are, and I will cut to the chase, 11.4 feet from full. We are not going to meet our target elevation by probably three feet. Lake Blue Ridge has met its target elevation by 8/10th's of a foot and is 6.2 feet from full. And Lake Chatuge is 3/10th's over target already and is 3.7 feet from full.

The problem is this is the second year in a row that Lake Nottely only in our area has not met target elevation, and the problem is that

back in 1987 Arlin Whitlock, who was still with reservoir operations, said to me they had three lakes in TVA that were hard to fill up, the hardest being Nottely, the second hardest being Cherokee, and I don't remember the third one.

I asked why, and my wife would say, I wish you hadn't done that, and on occasion I wish I hadn't either, but he gave me some information,

about 50 pages of it, and basically, I figured out what it was. I came back and TVA and us studied that for two years.

In your handout there is a summary that is dated April 22nd, 1989 -- no, that's my original evaluation that went to Director Waters eventually. We whipped that one up and down, and basically, in '90 we had a summary at TVA, and people that I highly respect and trust said that with lake improvement study changes, aggressive filling, target June level, August 1 drawdown, the chances of our lakes filling up were all 90 percent, 90 years out of 100, and I believed them.

I went and bought a piece of property that I would not have touched with a ten foot pole. I spent a half million dollars putting in Lake

Nottely RV Park. In '95, depending upon which elevation you use on the third page there on that graph, you will see that we may have made it, and I will grant them that we might have made it in '95, but we darn sure haven't in '99 and 2000.

What bothers me is the reluctance so far at TVA that I have encountered to do anything about it. So I respectfully request that I be put on a future agenda, because TVA is going to want to

rebut a lot of what's in there. Although, almost every bit of it, as you will see, is their own information.

Hopefully, you will have the opportunity to meet Morgan Goranflo of reservoir operation. I am pretty good on one lake. He's terrific on all of them. And Gary Brock, in 1995, was there anyone else who thanked TVA for doing a good job of filling the lakes up with that they had to work with, besides Dick Bell?

I want to thank TVA, and I am sincere, for working your -- you know, everything you can do because mother nature has not shown -- actually, she's shone on us and she hasn't rained on

us, and they have worked their buns off trying to fill these lakes up, and all they get for it is criticism.

Mine is a little more technical, and I think it can be worked out with a system-wide study and some other things. And so, like I say, I request that you put up with me again someday.

Thank you.

MAYOR EDDIE SMITH: We'd be glad to put you on the agenda at a future date. Thank you very much. We want to move along.

Leaf Myczack with Riverkeepers?

LEAF MYCZACK: Thank you, and good afternoon. My name is Leaf Myczack. I'm the Executive Director of Marina Operations for the Office of the Riverkeeper for the Tennessee River, and I am today representing on behalf of the National Water Keeper Alliance, our president, Robert F. Kennedy, Jr.

I feel like I've walked into the wrong room. The sign out there says stewardship, and basically all I have heard so far this morning is economics. I haven't heard very much stewardship.

I have heard about the economic difficulties people are having, property values, et cetera, et cetera. Well, I am here to talk a little bit out of that box. I am not here representing humanbeings. As a riverkeeper I am here representing the Tennessee River. I am a biological advocate for the Tennessee River.

And, no, I don't think TVA has done a very good job. The reason they haven't done a very good job is because they have taken on an impossible task. The goal they set for themselves is so filled with contradiction it can never be successfully

completed. One of the things that we never talk about, it's just a sacred cow; and that is, the concept of multi use.

The Tennessee River, in and of itself, is a life form. It has something to do. It is not looking for work. It is fully employed. What that Tennessee River does is it provides life to those who use water.

And since all of you in this room are 70 percent water and could best be described biologically as self-propelled, upright, mobile

water bags supported by a framework skeleton covered by a bladder, I think we should have a primary interest in the Tennessee River as a source of life.

There's some word -- there's a word we have been throwing around here this morning, and I would like to break it down, and the word is recreation. And evidently, from the tone of voice I have heard and the numerous references I have heard made today, it's obviously very sacred to go out and re-create or recreate.

There's two words in here. There's creation, which we call the biological web that we are a part of. And when we have recreation, it's an apt name, because most of the recreation that takes

place on the Tennessee River is motorized, and motorized means fuels and fuels means two stroke engines. It means that direct discharge of pollutants for the sake of amusing ourselves on a Saturday or a Sunday afternoon that we go out and pollute our water supply.

Another contradiction of multi use is it's a water supply and it's a waste repository. Now, recently I just talked to some fifth graders, and they may be a little bit smarter than most

adults, because they figured it out right away, that when you put your biological waste in your well you've contaminated your drinking water.

And I notice here in Huntsville it takes its drinking water out of the Tennessee River, and we have heard much today about how clean the river is. I notice that we have bottled water, and it's good we do, because by the time you drink the water here in Huntsville it's already been in somebody's stomach, in some industrial facility, in one of TVA's electric producers, whether it be nuclear or coal fired, it's been in and out of something already.

I also heard somebody from TVA at a meeting say that if it weren't industry along the

river the river would be dirtier than it is now. What nonsense, what absolute nonsense.

The reason industry has to get a permit to dump into the river is because they degrade it. They don't put the water back cleaner than they got it out, that's bad economics. If you've got the water out and it was dirty and you cleaned it up for your process, you would be a fool

to put that clean water back into the river.

Instead, you would close the loop and put that clean water back into your system instead of going through the extra cost of cleaning up that filthy water all over again. So any industry that claims to be putting the water back in cleaner than they got it out is lying.

We heard today about getting the maximum benefit from river use. Everything I have heard today has nothing to do with stewardship. It has to do with bringing the most economic good out of a river.

We talk about flood damage, flood control. We talk about water transfers. The truth of the matter is, we have got to see some good pictures today. They showed a picture of a flood in 1867. They didn't show the picture of the flood in

1973 where Chattanooga was under water and the water was all the way down to the Georgia line, Rossville Boulevard.

I am appreciative that TVA has come down on their flood damage estimates, and now it's down to $173,000,000. And when I asked Ms. Herrin at a previous encounter if they factored in the loss

of income from that agricultural land that's now permanently inundated, she said no.

I would say that at the Guntersville Reservoir you have lost a lot of money from agriculture, but you also have a new problem, and the new problem is that the reservoir is basically atrophic.

Now, one of the high points of TVA's history is its fertilizer development. They made synthetic chemical fertilizers. Now we have a problem with those same fertilizers running off into the watershed, getting into our stream, and getting into our main rivers, so we have nutrient overload.

Basically, the whole way we're running this river is contradictory. We want it clean enough to drink. We want it dirty enough to flush our toilet into. We want it high enough for recreation, but we want it low enough for flood

control. We want it up for wildlife, but we need it down for other reasons. We're constantly fighting ourselves.

This is a drinking water source, first and foremost. I'm not concerned about water

level, reservoir water level, except in a biological sense in that they are backwards. We you dam up the river, you take on a lot of burden and you create a lot of problems that don't easily go away. The more you try to micromanage this system with these contradictory goals, the more you screw it up.

What we have now is we have a river that we drink from, a river that we flush our waste into, and a river that we have to dump herbicides into to kill these symptoms of that nutrient overload.

We have a green river out here. The life of a river is in its flow. The river needs to flow. Basically in these low drought -- these drought conditions, low flow scenarios, the Tennessee River is being managed as a nine lagoon sewage treatment plant.

MAYOR EDDIE SMITH: Excuse me. Your time is about up.

LEAF MYCZACK: Well, you know, this

morning we went on a little bit and we heard a lot of things that had nothing to do with stewardship, and TVA, for 12 years, has refused to engage the riverkeepers because we have a contradictory

message.

I am only going to come to this one meeting, and I think the river -- if this is a stewardship meeting, that the river's voice deserves to be heard today. We haven't heard the river's voice today. We have heard marine owners. We have heard navigation interests. We have heard a lot of people that had nothing to do with stewardship of the river.

So I would ask that you indulge me for a couple more minutes, please.

MAYOR EDDIE SMITH: Okay. We have allowed you more than we have other people, but you may have another minute.

LEAF MYCZACK: I appreciate that. The riverkeeper is not concerned with human economic development along the river. The Riverkeepers are concerned about the Tennessee River being the life blood of the mammals, fish, birds, critters, including us, we're mammals, that have to drink that water.

When we have boats out there, we want to keep the levels up higher so we can have more

3 recreation, we basically add more pollution to our
4 drinking water supply. As I said earlier, fifth
5 graders figured this out. You cannot crap into your
6 drinking water supply and not affect your personal
7 health and the health of all of these communities.
8 That's what we need to focus on, not strictly
9 economic values.
10 Thank you.
11 MAYOR EDDIE SMITH: Thank you very
12 much. We have Sandra Kurtz from the
13 Environmental --
14 SANDRA KURTZ: Thank you. I'm from
15 Chattanooga, and I am an environmental education
16 consultant. And as such, I have worked with TVA,
17 both on the power side and on the resource
18 management side, with some of the people in this
19 room, and also have been engaged with the southeast
20 water roundtable discussion, water supply roundtable
21 discussions. I rise to speak to the environmental
22 concerns here as Leaf did with the Riverkeepers.
23 I wanted -- I just want to emphasize
24 that this Council, this Council, is about
25 stewardship. And what I am concerned about is that

1 we have heard a lot about compromise here and we

have heard a lot of economic discussion on a number of things being thrown around, and I'm thinking that compromise is really about mindset often enough.

And if our mindset is more on the economic side on this Council, as you make your recommendations to the TVA board, then we -- I think we have to be careful about that, because this Council is the one that speaks for the environment and for stewardship. Other councils or other input will be coming from the other side.

If you want to talk about sustainability and creating quality of life in the future, then, yes, we have to balance sometimes economic and equity, fairness, and environment.

This Council is to lean, as I see it, toward the environmental or the stewardship side so that those arguments can carry as much weight as some of the other arguments that the TVA board will hear when they make their decision.

So as I looked at the Charter of this Council, it says TVA stewardship activities include the operation of its dams and reservoirs, its responsibilities for navigation and flood control, and the management of the lands in its custody,

water quality, wildlife, and recreation, not -- economic development is not one of those listed.

And while that certainly ends up playing a factor, this Council should, I think, ask as a default question at the end of the day when it makes its recommendations, the question should be, is this recommendation for the benefit of the resource.

Thank you.

MAYOR EDDIE SMITH: Thank you very much. Brenda McCann from Piney Creek Watershed Coordinator.

BRENDA MCCANN: I plan to keep this short. It's a little different than what you have heard. Thanks for being here.

I am Brenda McCann, and I'm with the Piney Creek Watershed Project. I am the watershed coordinator. Prior to that I was the education coordinator with the Flint Creek Watershed Project. I started my environmental education in '96, and I have worked with some of the most wonderful, giving TVA people, and I appreciate them very much. They have helped us with our festivals. They have provided us with materials.

I have only with been with the Piney

Creek Watershed Project since October, and I have already had help in getting a water monitoring kit. I have had storm drain stencils given to us.

And most of what I do are with our children and our students. I just want to say thank you for our watershed people that are out there and touching so many young lives that can make a difference on down the line.

Thank you.

MAYOR EDDIE SMITH: Thank you very much. John Grinstead, Friends of Shoal Creek Preservers -- Preserve, I guess.

JOHN GRINSTEAD: My name is John Grinstead. I am with Friends of Shoal Creek Preserve. I live in Florence, Alabama. We're grateful that TVA created this Council. It has some important descriptive work in the title, Regional Resource and Stewardship.

We come here today to offer TVA a project we think has a basis in everything this Council represents. It will offer a unique opportunity to partner with the Alabama Forever Wild Program and the Shoals area in Northwest Alabama in a project that's mutually beneficial to all people in the Tennessee Valley.

We think this project breaks new ground and may help give TVA another avenue to achieve its mandate to protect the Tennessee Valley watershed, protect biodiversity and enhance recreation.

The State of Alabama Forever Wild Program has identified a unique tract of land in the Shoals area and is considering purchase to preserve its quality. This area has three separate creek drainages that flows into Shoal Creek, which feeds directly into the Tennessee River.

It consists of 300 plus acres bordering Shoal Creek with over 40 year around waterfalls, rare plant species, high bluff views, abundance of wildlife and a true natural area for day hikes and quality time with the family.

A brochure and some photos of this area should be on your desk. We have also prepared a more detailed information package for Kate Jackson. Take a good look at these pictures because this area will likely not be available for permanent preservation after this year.

This proposed preserve also has one TVA power line crossing the property, which was recently reenergized after 30 years of non-use. The

creation of a new marble plant, which will be a unique enterprise in Alabama, required reenergizing this line to provide power to the new plant. Resulting growth in this area will provide a good bit of TVA power. This is an instance where we can show that power distribution and nature preservation can be mutually beneficial.

Seldom do wet get help in Northwest Alabama from Montgomery on preservation projects. We have an opportunity today to reverse that trend for the first time in Northwest Alabama. We have been working with the Forever Wild Program for over two years and the Shoal Creek Preserve Project is now at a critical point in its creation.

On May 16th, 2000 the City of Florence set a precedent for an Alabama Municipality by committing 100,000 to Forever Wild to go towards the purchase of Shoal Creek Preserve, and those funds were contingent on Friends of Shoal Creek Preserve raising the other 100,000, in order to get a 200,000 grant that the State of Alabama has located for potential use of this project.

Essentially the State of Alabama

Forever Wild Program will help TVA protect its watershed with well over a million dollars to

purchase this property. All TVA would need to do is help with the matching funds so that we get the $200,000 grant. This would be a one-time funding by TVA with no more responsibilities after the initial funds and would create a preserve that would forever help water quality, biodiversity, and recreation in Alabama. This is a winning proposal for TVA, the Alabama Forever Wild Program, the Shoals area, and the Tennessee Valley.

We would like to recommend that the Regional Resource Stewardship Council recommend to TVA to consider funding from 50,000 to 100,000 to help us create a permanent resource for people of the Tennessee Valley.

We think this project strikes the heart of why this Council was formed, which is to evaluate opportunities presented as they relate to managing the natural resources of TVA. This project has broad public appeal and we think would serve TVA's interest.

Do you have any questions?

MAYOR EDDIE SMITH: Thank you very

much. We will try to get questions later.

Jean-Ann Moon from the Marshall County Retired and Senior Citizen Volunteers.

MR. ROGER BEDFORD: Mr. Chairman, I don't have a question, but I was just going to make a brief comment; and that is, it's a very beautiful area. We stopped on the river before we got to the watershed that actually empties out. Even though it's not my senate district, it's well worth preserving, and if anybody seriously has a chance to go by there on the way home, it's a very beautiful and unique spot.

Thank you.

MAYOR EDDIE SMITH: Thank you.

JEAN-ANN MOON: Thank you for the opportunity to be here today. I am Jean-Ann Moon and I am the Director of the Marshall County Retired and Senior Volunteer Program.

For those of you that are not familiar where Marshall County is, we are in the Guntersville reservoir area. In fact, we are the part where the Tennessee River comes into the county on one side, turns, and flows out on the other side.

So we're sort of the pivotal point of the Tennessee River.

I represent about 880 volunteers, 100 of which are currently partnering with TVA for water quality monitoring, and this is a wonderful

stewardship opportunity that TVA has presented to our program.

We're sort of doing a pilot project on the clean water initiative with TVA. Hopefully what's being -- happening in our watershed can be replicated in the other 12 watersheds.

In the first six months of the project alone, we were able to gather 400 pieces of data for TVA. And because of the economic constraints, as you know, there are not enough TVA field monitors to go out and collect this data, and it is vital for knowing the health of the water system and for the watershed. We are proud to have been a part of this.

And one of the TVA clean water initiative folks told us in the first six months, this would have cost TVA $50,000 if they could have purchased this data management and this data quality. So we feel like this is a great

20 opportunity. TVA provided us with the tools to go
21 out and monitor and we were able to provide TVA with
22 data that they have interpreted to know about the
23 health of the lake.
24 We have 40 -- we have 51 current
25 stream sites in Marshall County that are being

1 monitored that feed into the Tennessee River and to
2 the Guntersville Reservoir and into the Wheeler
3 Reservoir.
4 Then we have -- TVA asked us to do
5 sort of a layered approach in the lake. There are
6 five embayments in Guntersville Lake. TVA picked
7 out the places that we would do the lake monitoring,
8 and we monitor at the surface, a meter and a half
9 below the surface, and a meter from the bottom.
10 We just think this is a great
11 project. We would like your support in continuing
12 this, not only in our watershed but in other
13 watersheds because it's a great return on your
14 dollars to have the citizen monitors partnering with
15 your stewardship opportunity.
16 Then they are currently looking at
17 their -- Lake Guntersville is now in the process of

their public lands plan. One of the things they are looking at is to partner with Marshall County Retired and Senior Volunteer Program to create an environmental education center.

Currently, we see at least 4,000 children every year with environmental education opportunities, not only with water quality, but with wildlife and just natural resource conservation and

water quality conservation, and we would like for this board to -- I mean, for this Council to carry forward the opportunity for us to partner with TVA to create this environmental education center.

Thank you very much.

MAYOR EDDIE SMITH: Okay.

JEAN-ANN MOON: One thing, thank you for believing that volunteers do make a difference.

MAYOR EDDIE SMITH: Thank you very much. Jim Hipp, I believe that's right.

JIM HIPP: I didn't ask to make a speech.

MAYOR EDDIE SMITH: Okay. Okay. Thank you. Allison Randall Newell, Executive Director of the Alabama Water Association.

ALLISON NEWELL: I'm Allison Newell.

17 I'm Executive Director of the Alabama Water Watch
18 Association. We are the monitoring -- statewide
19 monitoring group in Alabama that certifies our
20 volunteer monitors all across the state, as well in
21 the shared watersheds of the neighboring states.
22 I want to say now that we have had a
23 lot of interest from Tennessee. We already work and
24 currently share protocols with Georgia, and with
25 TVA's help, hopefully we can go into Tennessee and

1 start a program that's very similar and is
2 successful there.
3 We represent 75 different groups in
4 the State of Alabama and in neighboring states and
5 use EPA approved protocols in sampling basic water
6 quality parameters and bacteriological.
7 Citizen monitoring is critically
8 important, and then I want to talk about how TVA
9 ties into this. It's important, one, as public
10 education and outreach and public participation.
11 There are a lot of citizens that want to get
12 involved and a lot of times they don't quite know
13 how, and this gives them a wonderful avenue to do
14 that.

No. 2, Jean-Ann already talked about the data and the cost of the data and what citizens can contribute, and they do this gladly, a lot of times because they're property owners on the water body and they do have a vested interest.

As we look at non-point source pollution as being the major cause of pollution that's left now in our waterways, that comes from all of us. We believe in Water Watch that by educating the citizens about what part they play, there's no better way to help change that source.

And then the action, you're holding in your hands the latest reservoir reports, and this is our way of, No. 1, patting our monitors on the back for the hard work they do, putting their data into an understandable form of public education that can be carried to policy-makers in their area and using that to reflect in new water quality policies.

Our data in Alabama is used for non-enforcement, first alert data. It's also baseline data. We work closely with the Health Department and the Alabama Department of Environmental Management. When we locate potential problems, they go in and do their own sampling.

In the Tennessee Valley, I have been up here about three years, and it was really an eye opener to come and get the chance to work with TVA. Being from the Birmingham area, I had not had that opportunity, and I just want to say that they have provided -- as Jean-Ann said, they provided test kits to the monitors, wonderful technical expertise, additional monitoring training, the depth profiling that Jean-Ann mentioned that we do not have EPA approval to conduct.

They work with us on mapping. They locate new monitors, potential monitors through

their watershed teams in areas that really need organization going on to help protect that watershed, help us recruit volunteers, and then they assist us in the critical care and feeding of those groups out there, because if you can't keep the groups fired up, they are spending a lot of time out on the water collecting this data, then you're going to lose their participation.

This also has a lot of benefits, I believe, to TVA as far as public relations and the outreach. If you've got people that like what they

see you doing, you will retain them as a power customer, reducing the non-point source pollution lends to cheaper generation of power, better drinking water rates for customers so that they are not as financially crushed. It enhances the recreational value of the water once the non-point source pollution is brought down, reduction of nitrites and phosphates that lead to aquatic weed growth and that type of thing. It also enhances the navigational aspects.

I have also worked with TVA on countless other projects, non-point education for municipal officials, which is a new initiative where we're going out and working with our elected rural

officials to train them about water quality and development and how that affects the watershed.

I have worked with TVA and the Southeast Watershed Forum, the Southeast Watershed Roundtable, the Marina Clean Boating campaign, and several special events, and I would just like to say, we keep hearing rumors that the non-power programs are going to be cut, that the river action teams are going to go away, the watershed teams, and I just want to urge you to continue this. I think

it's a wonderful benefit to the public and to a lot of environmental groups and to TVA.

Thank you.

MAYOR EDDIE SMITH: Thank you very much. Marty Marina, Executive Director of the Tennessee Conservation League. We have one more to go and then we'll be through.

MARTY MARINA: Thank you for the opportunity to speak before the committee today. The Tennessee Conservation League is a statewide nonprofit conservation organization advocating for conservation and the sustainable use of Tennessee's land, water, and wildlife. The league applies science, common sense, and consensus building strategies to accomplish our mission. A brief

overview of our work will validate and provide context for my comments and my requests.

In 1946 the league founded the Tennessee Wildlife Resources Agency, and it continues to be a trusted source of information on Capital Hill. We have earned a seat on the Air Quality Control Board, Solid Waste and Water Quality Control Boards.

The league lobbied for and helped pass the State's first Solid Waste Management Bill in 1990 and the Nations First Smart Growth Bill in 1998. During the current session we have helped pass legislation to further protect Tennessee's water quality and water supply.

The Commissioner of Environment and Conservation now have cease and desist powers to stop stream degradation when loggers fail to implement best management practices. He also has the ability to permit interbasin transfers of water.

In addition to lobbying, the league provides conservation education to schools, landowners, and community leaders. TVA has long been a partner, but our work intensified as a result of changes in TVA funding.

A change in the status quo first

caused a reaction from TVA. Then they became more open to stakeholder input. The league responded by helping pass a two-year extension to temporarily fund public lands management that helped restructure TVA debt to provide permanent funding for natural resource programs. As a result, we have become intimately familiar with TVA operations for natural

resource and reservoir management to power generation.

The league has also worked with TVA to develop land management policies, such as maintaining gain of public land and declaration of shoreline management zones to filter non-point source pollution before it enters the reservoirs.

We were actively involved in the Columbia Dam Dissolution Process and transfer of Land Between the Lakes to the forest service. Over the winter we were able to introduce some innovative design concepts to strengthen an already good environmental impact statement for the dissolution of Tennessee Elk River Association Property.

Last year the league provided leadership for the stakeholder process that provided aquatic management plan for the Nickajack Reservoir and formed this stewardship committee. Now you have

the responsibility of guiding stewardship of land condemned from homeowners and held for the public good. You're also responsible for providing stewardship of the water, which is the life blood of the valley. As you have heard other speakers say,

decisions have been made in the past on an economic basis.

Homeowners -- you will find and have heard that homeowners will want reservoirs sprayed. Marina operators and boaters will want high water levels. Fishermen will want the water levels lower and no weed spraying. Power generators will not want to be burdened with managing the natural resources. Mayors and Chambers of Commerce will want to develop the shoreline. You will find the truth by better understanding the resources, how they function, and the benefits they provide your communities, and then developing a new paradigm for their management shifting from all economic to a wider view.

Natural resource management is a science with no regard to political boundaries. Yet, implementing the science has social and economic ramifications. The decisions you make will impact generations beyond your own and changes will

not be easily undone.

The south is a much different place than when TVA was chartered to provide cheap power and economic development for the southeast. The

Valley is now developed to the point of having conflicts over natural resources.

Growing up in Tennessee I could not imagine a water shortage. However, in four years the town of Cookeville will not be able to add another business or another home if it doesn't find another source for water.

Dry weather and competition for water in certain reservoirs will also over time result in loss of stream function and a moratorium on future development for all communities along the river. Open space is disappearing. Middle Tennessee is in the top five for declining farm land and the state ranks in the top ten for habitat decline.

Habitat fragmentation and urbanization have caused species decline. TVA is operating on an old system at peak production facing millions of dollars to upgrade its plants to a loss of federal revenue. By thinking creatively, you can help positively impact all of these issues.

I urge you to form committees to

study broad issues such as water quality and land management and to include scientists, economic --

you know that word, economists, thank you, and sociologists on these committees, because the decision you make will affect future generations. We are living now with the decisions that were made in the last 40 years, and the decisions that are being made now will affect not only the human but the animal and plant species for years to come.

MAYOR EDDIE SMITH: Thank you. Patrick Hunter Byington with the Publisher of the Bama Environmental News.

PATRICK BYINGTON: I think I am the last one.

MAYOR EDDIE SMITH: Yes, you are.

PATRICK BYINGTON: All right. I just want to make a few comments. I was brought up in Florence and Sheffield, Alabama, and I have had for unfortunate reasons, because of employment, to live in Central Alabama and out of the TVA district, but I have always kept in touch with this region, and my parents and family live here. So it's very important for me that TVA is effective and good steward of the land.

A few weeks ago I was visiting the

Montgomery Advertiser, and walking up their steps to

the editorial boardroom, I saw some old newspapers, and they had 1860 newspapers there and they had a slogan, which I don't believe they use now, but I believe it is a slogan that you should have here as a committee and a Council, and that slogan is, public good before private advantage.

Public good before private advantage, I think it's something that shows -- that kind of slogan is the responsibility each and every one of you have here. Let me just tell you, just listening to you meeting today and the comments people have made, I just want to tell you that I believe you have an incredible opportunity and incredible challenge before you.

On environmental issues I urge you to work on issues pertaining to water quality, the non-power program, endangered and threatened species, the clean air issues, public land, public fishing and public hunting. Public hunting is an incredibly difficult issue, especially in Northwest Alabama.

I want to encourage you to create partnerships, partnerships that go beyond TVA and the group here, but that spread out throughout the

region. Work with non-profits. Work with groups such as Alabama Water Watch, the lake groups here, Riverkeepers, the TVA river teams. Work with the Nature Conservancies Heritage programs, they can give you the baseline to what you need to work on. Work with B.A.S.S. Work with the incredible resources and dynamic nature that we have in the region.

It's an opportunity, it's an incredible challenge, but it's really up to you now. And being the last one, I think I can end on that note, that we're all looking toward all of you to do the best you can and to make sure public good is before private advantage.

Thank you.

MAYOR EDDIE SMITH: Thank you very much. I would like to thank all of our presenters for the information you have shared with us, and certainly, we will take all of this into consideration as we go through our process of trying to make decisions and recommendations to TVA.

We have two other things that the Council members have got to get done this afternoon. One is to try deal with the issues that we need to focus on, and secondly, to try to organize ourselves

in some kind of way to deal with whatever we focus on.

And as you can see, I am losing my voice a little bit, so I am going to ask Jim to take up and work with both of those issues at this time.

MR. JIM CREIGHTON: Thank you. First of all, a couple of tag-ins. At the last meeting we discussed procedures and guidelines for the Council, and you have in your packet of material, you're now rather voluminous stack of material, something called Revised Regional Resource Stewardship Council.

This was done with a computer program so that every time there was a change made there's a little tick mark off on the right-hand side. So let me quick scan it, and then you can let us know if we didn't catch all of the changes that you recommended.

The first tick mark is just the word revised was added. The second one, I'm still on page one, equity of funding, you agreed that you wanted to add that on the list of areas in which you would be providing advice. Down at the bottom of every page here we added page numbers, so that was the big change there.

Page two, there weren't any changes except the addition of the page number.

Page three. Page four, there was some material about me that I thought was extraneous and inappropriate for guidelines.

Page five is where most of the substantive changes were. On the participation of observers we added last time, the Chair may establish reasonable time limits. Members of the public are encouraged to submit their comments directly to the Council or individual Council Members prior to the meetings. The public will be offered opportunities to comment prior to significant decisions of the Council, this could result in several public comment periods, and the timing will be at the discretion of the Chair.

Down under subcommittees, the Council may include non-members of the Council in subcommittees subject to TVA approval. And then subject to established guidelines, TVA will provide administrative support and travel reimbursed for work of the subcommittees.

I think all of the rest of the tick marks at the bottom, I think we just inserted the page break. I think that's all of them. I need you

to let me know if I didn't get everything. Otherwise, this is mostly just feedback. I tried to put it in a form where you could see where changes were made.

Anybody -- any comments or not?

I would want to put this to rest and have these be the established guidelines of the Council.

Any comments or additions? Going. Going. Gone.

Okay. The second kind of procedural thing is the last time we talked about whether or not the Council wished to discuss the Government Performance and Review Act.

MR. ROGER BEDFORD: Jim, I was going to save this for later, but since this is going to be our procedures, if the Council would indulge me just to back up a second.

Council members' role on page four in communicating with constituencies involving the public and meeting, I am not exactly sure where it goes, but some of us have talked about this, and I think it would be helpful perhaps for us to

consider -- and maybe it doesn't have to be in the plan, but since we're trying to touch every aspect

of it, I think it would be helpful, for instance, we're in Congressman Bud Cramer's congressional district, a champion of TVA, someone that's been very involved in these issues. He's also on the appropriations committee in Congress.

And whether it's someone who's on appropriations or not, but it would seem appropriate that during one of either our receptions or lunch or dinner, perhaps if they wanted to speak to the Council for a few minutes, some thought might be given to involving those individuals when we're in their congressional district. And if they can't come, at least an invitation has been extended and a flow of information will be begun.

And then perhaps, and I don't think this really needs so much to be in here, but I think it follows the same track; that is, when we go into a whole city, perhaps some thought should be given to letting the chair person, since he's the media or she, whoever is there at the time in charge of going to the media, going and sitting down with the editorial board.

Fo instance, the Decatur paper and the Huntsville paper have been very supportive of TVA and resource management and giving them an

inside look of what we're trying and stuff to begin to build a public flow of information and an exchange of ideas to help us, not only with our credibility, but in establishing our rapport with people who will be natural allies, I think, of the mission statement that we try to develop because they are stakeholders as well in their own fashion.

And I will defer to the wishes of the Council as to whether that ought to be included in part of our process, but I do think it's something this Council ought to address and something that ought to be part of our outreach program and information sharing program.

MR. JIM CREIGHTON: I don't know if we need to actually have it in this document, but is that kind of the will of the committee? And if so, we can take that on as direction.

MR. THOMAS GRIFFITH: I think that's just a matter of common courtesy when we're in a district of a congressional congressman or state

representative.

MS. JULIE HARDIN: Good public relations.

MR. ROGER BEDFORD: Well, I agree it does not need to be in here, but Kate, if you-all

will think about that for future meetings, we would appreciate that.

Thank you.

DR. KATE JACKSON: We will.

MR. JIM CREIGHTON: Okay. The other issue has to do with -- TVA is right in the midst of getting its submission ready to the administration on the Government Performance and Results Act. What we agreed last time was that would be sent out to you, and it was several weeks ago, and you would have an opportunity to comment individually, and you could also decide if you needed it to be brought in front of the entire Council.

I'm just checking in. I have heard nothing about it. So I am sort of assuming individual comments was acceptable, but let me know if it wasn't. It helps, by the way, if you do something, up and down or sideways.

MS. JULIE HARDIN: I think we were

told to get to Rick someone by the 19th of May, is this what you're talking about?

MR. JIM CREIGHTON: Yes, if you wanted to make individual comments, but we had reserved the possibility that if it was absolutely fascinating to you we could make it an agenda item.

I'm hearing it was kind of -- if I am reading body language, it was absolutely not fascinating to you, or if it was, you have already commented.

MR. AUSTIN CARROLL: I kind of thought it was a little preliminary given the -- that we're just now getting organized as a Council. In order to be able to make constructive comments, I didn't feel qualified, you know, at this time to -- you know, had it occurred, you know, a year or something from now, I think it would have been more appropriate, but I understand the timing of it, that you had to have it in.

MS. JULIE HARDIN: Jim, I was a little bit surprised at the absence of any quantifiable measures or numbers for defining goals and strategies. I also feel that leaving out air water quality support was perhaps not good. I also

saw the strange lack of any mention of agricultural in that, which has been such an important part of our valley for -- since our history, those are some of my reactions, but I gave those to Rick as well.

MR. JIM CREIGHTON: Okay. So not hearing anybody who wants it brought before the Council now, and Austin is raising the possibility -- is it an annual? So by next year it

maybe can be done in a manner with enough warning so that you could participate in its earlier formulation.

Okay. We're now at the point where we need to wrap what we started this morning, which is to agree on the topics that we want to at least start out with as a committee. I have rewritten them with the hope that maybe you could actually read them this time.

Basically, there seem to be four topics. The first one we were arguing over name but not what it was going to discuss, which was -- it was either the lake levels or the integrated river management group -- let me take that back, topic, whether or not we want groups organized around this is still to come.

The impact or restructuring upon stewardship activities, I want to flag that one because this may be a time urgent one. It may be a long-term issue, but it may also be a time urgent one.

Public land management, I put slash use to try to capture the fact that this includes recreation, tourism, and economic development. And then an infrastructure one, which would include

navigation infrastructure, but conceivably other kinds of infrastructure.

I think the first question I am going to ask you, are these, in fact, the four areas that at least to begin with we want to focus our attention?

MR. PHIL COMER: What is the second one, Jim?

MR. JIM CREIGHTON: Impact restructuring upon stewardship activities. Essentially it's the issue of if legislation is passed it makes TVA not an economically viable unit, then you're not going to have stewardship activities, that was the argument, is that correct,

15 Austin?

16 MR. AUSTIN CARROLL: That's right.

17 And, you know, having thought about this a little

18 bit more and considering our charge and talking to

19 some folks, I think it might be appropriate -- of

20 course, what we're supposed to do is look at some

21 topics and make some recommendations -- come to a

22 consensus and make some recommendations to the TVA

23 Board.

24 Of course, this goes beyond the TVA

25 board. So it's a little bit -- although, it is

1 going to affect resource stewardship activities in a

2 major way, still it's not something that, you know,

3 we can make recommendations on.

4 So what I might recommend, just for

5 the sake of moving on here, is that maybe we could

6 form some kind of little work group or something,

7 task force, that would be sort of a -- that would

8 kind of follow this and any other things that might

9 come up relative to legislation or whatever, and

10 keep the rest of the members informed such that we

11 could either individually or collectively, you know,

12 take -- make appropriate comments to congressional

13 representatives or whoever or maybe, you know, we

might even want to take some kind of stand on it at some particular time, but I think that we might be better served by just having some people to work on keeping everybody else informed on this, if that would suit the group.

MR. JIM CREIGHTON: So your proposal would be this would be called the legislative group and it's not so much -- it sounds like also the function is not so much to go out and get public participation, the function is to monitor legislative activities that might impact on TVA operation.

MR. AUSTIN CARROLL: Right, and resource stewardship type things.

MR. JIM CREIGHTON: Does that make sense, that we take this topic off, and instead, have something like a legislative actions committee or something like that?

MS. JULIE HARDIN: Yes.

MR. BRUCE SHUPP: Yes.

MR. AL MANN: Yes.

MR. JIM CREIGHTON: Okay.

MR. AUSTIN CARROLL: And I will

volunteer to work on that, if I can get some help.

MS. MILES MENNELL: I will work with you on that also.

MS. ELAINE PATTERSON: I will volunteer as well.

MR. JIM CREIGHTON: Actually, once we get some of this rolling, I am going to post some flip chart sheets on the wall so anybody who wants to volunteer for any of these groups can. We just kind of have to nail down what they are.

By the way, Austin, is there anything we need to do on that today, because I know that legislation is on the hill right now?

MR. AUSTIN CARROLL: Well, I'm not

sure that everyone feels comfortable enough, maybe not as familiar with what's going on as I have been, being kind of in the middle of it, but, you know, if you-all feel froggy, we'll jump.

You know, my sense is that probably folks are not willing collectively at this point to want to try to do something. I have already written my letters and made my phone calls.

MR. JIM CREIGHTON: Could you give us a one- or two-minute summary of what the --

MR. AUSTIN CARROLL: I just happen to have a handout here.

MR. JIM CREIGHTON: We're going to be flashing our one-minute sign in a minute here.

MR. AUSTIN CARROLL: This will, I think, give you some better idea of what's going on with the Bunning Amendment that's being considered by the Energy and Natural Resources Committee in the Senate.

Yesterday they held that -- they had a hearing and they were considering markup, but they didn't do any markup yesterday, they just looked at the bills that were out there. I believe the next hearing is on June 5th or the 6th -- 7th, June 7th in Washington.

The deal is that Senator Bunning is the only valley senator on this committee, and by being on the committee, he has a lot of input to any kind of bill that might come out of that committee, but he's not -- he's going against the consensus of the rest of the valley congressional delegation and TV -- Tennessee Valley Public Power Association, Tennessee Valley Industrial Council, and TVA.

What he is offering could put TVA business-wise in kind of a -- kind of a death spiral because people would be able to -- other companies could come in and sell inside TVA and then TVA wouldn't -- couldn't go outside to, you know, sell that power that might be stranded. So, it's, you know, some of those kinds of things, which is just not healthy if you're going to be a competitive business.

It's like saying, yeah, you can get in the race, but you have got to drag along this wagon load of rocks with you, and how easy is that going to be to compete? It just doesn't make sense. So, certainly, he needs to hear from us individually or collectively.

MR. PHIL COMER: Jim, would it be at all appropriate to suggest that Austin be chairman

of a subcommittee that could communicate with us?

I don't think we should lose a month on this. I mean, it sounds fairly time critical. He could communicate with us by mail or e-mail or phone to give us more information as to what we could do with our local congressman and senators. I would appreciate receiving such help on it because

it sounds pretty critical.

MR. JIM CREIGHTON: Austin, can you set up a list server with everybody here and send out one e-mail to everybody?

MR. AUSTIN CARROLL: Yes.

MR. BRUCE SHUPP: Jim, I think we certainly have to take a look at this and see how it's going to affect the stewardship program. We have to be careful, I believe, with the fact of how this Council deals with politics and legislation.

Is Barry still here?

DR. KATE JACKSON: Barry's still here.

MR. BRUCE SHUPP: Could you give us some guidance on that?

MR. BARRY WALTON: Your mission, of course, is to advise us, TVA, and that's all you're chartered to do. What kind of extracurricular

things you might take on, I don't -- I really don't have much guidance I can give you on that.

There's not -- just to fill in a little bit about the legal picture, the restrictions that historically have applied have been in terms of

using appropriated funds to do grassroots lobbying. Grassroots lobbying, of course, for those who don't lobby all the time, means not the direct communication to your elected representatives, which was always okay, but communication to the constituents trying to stir them up and get them to communicate to the elected representatives.

Of course, we don't have any appropriated funds. So technically that doesn't apply here. I think what we're going to be dealing with is not questions of legalities or illegalities but questions of appropriateness. So when we get into that, I am going to pass the microphone back to Kate.

MR. AUSTIN CARROLL: That's a punt, right?

MR. BARRY WALTON: Does that answer your question?

MR. BRUCE SHUPP: The key word, I think, is appropriated funds, and that's, I think,

what makes the other Council that I work on different because it is appropriated funds and we cannot get involved with political activities, so we have been told. We're very careful about that.

MR. BARRY WALTON: The things you learn here -- obviously one of the things that we hope happens is that this is educational and that you take the things you learn here back to the groups that you represent.

MR. JIM CREIGHTON: That was very lawyerly, Barry.

MR. BRUCE SHUPP: We're aware of that.

MR. STEPHEN SMITH: Well, one of the things that -- I mean, I agree with the sense of urgency on this, and I think that we're this -- there are multiple implications of what Senator Bunning is doing, but I think where this Council would have its greatest force is to bring to the public's attention what is not, I think, immediately apparent, which is that this is going to have implications on the larger mission of TVA as opposed to what I think the Bunning thing is -- that I have described as sort of a Christmas wish list for a lot of the investor owned utilities.

I think that it's set up that way, but I don't think they have thought about all the

implications of it to a lot of the things that TVA does if the money is choked off or bond rate is affected, and all these other kind of things.

So it would seem to me that -- and I also agree with what Phil said, that the most timely point is going to be within really, you know, days or so after the amendment is dropped and we will not meet -- the amendment could be dropped today, tomorrow, or sometime in the next 48 to 72 hours, if I am not mistaken, I don't know exactly where it is.

It would seem to me that what we should do is -- and Austin may be willing to head this up, but try to aggregate some of the things we know, and I think TVA has, to put the impacts into the frame of reference of the stewardship Council, see if we can come up with a statement -- and this may be actually one of the first public statements that the Council does, which is to react to the Bunning Amendment in the dimensions of the Stewardship Council and say, you know, we're very concerned about what is happening here because it's clear that the implications of this action have not been fully evaluated and we are just beginning to

grapple with these things and we would encourage

2 Senator Murkowski's committee to go very slow on
3 this because the implications to the overall
4 regional stewardship could be adversely affected,
5 and I think that's probably where this Council could
6 deliver its most weight.
7 Obviously, each one of us is
8 individuals, and TV-PPA and all of these others are
9 going to work your own angles on it, but I would be
10 very comfortable trying to see if in the next, you
11 know, days literally if some of that stuff would be
12 aggrecated (sic) -- aggregated and if a joint
13 statement could be framed that we could all consent
14 on and then it actually be a public statement that
15 comes from this Council to Senator Murkowski, and
16 then I think it should be made available to the
17 public and the media, and it could be a response, if
18 other people are comfortable with that. This is a
19 suggestion. I think it would be the fastest way to
20 respond, and I think it would probably be the most
21 effective thing we could do.
22 MR. ROGER BEDFORD: Mr. Chairman, I
23 think these points are well taken and right on
24 point. And perhaps the best way to facilitate this
25 would be to allow Austin, and whoever else would

like to volunteer today, to draft one, disseminate it to the members, and put the burden on the members back, that if you don't like some verbiage, it's your responsibility to get it back to -- and shop it back around, with all of us understanding that we're looking at probably a three- or four- or five-day deadline at the most and try to -- I like what Steve's saying, if we come from our mission and our charge as to why this amendment could be bad or devastating to the stakeholders, I think it adds credibility to it, it's a natural outgrowth, and it's something that we're working on and speaking out about.

MR. PHIL COMER: Would it speed the process if you could communicate this draft proposal to us all by e-mail and then we could respond back to the Chairman because it really should be issued, I think, properly from the Chairman, could that --

MR. AUSTIN CARROLL: Yes, I agree.

MR. PHIL COMER: I think we all have e-mail now.

MR. AUSTIN CARROLL: I think I may solicit a little help with TVA on the communications.

MS. KATE JACKSON: We can facilitate

that process.

MR. JIM CREIGHTON: One thing I noticed in Stephen's comment was that the notion of not saying that we know what the impacts will be but saying the very fact that we don't know what the impacts will be is what's concerning us.

MR. AUSTIN CARROLL: Right. And ask that, you know, the process be slowed down or that, you know, it needs further consideration before action is taken, that kind of thing, that I think -- I don't think that we're getting out on a limb too far there.

MS. MILES MENNELL: Did you say the next hearing on it is June 7th?

MR. AUSTIN CARROLL: That's what I understand.

MS. MILES MENNELL: So obviously we will want to issue our statement in advance of that hearing.

MS. JULIE HARDIN: Yes.

MR. PHIL COMER: Before we meet again.

MS. MILES MENNELL: Our official statement.

MAYOR EDDIE SMITH: Let me see if I

understand. Have we reached a consensus that this Council express some concerns about the long-term impact of this issue and you will draft it up in the way that it needs to be?

MR. PHIL COMER: But that it would be -- but after approval from the individual feedback you -- it would be issued by you, according to the rules.

MR. STEPHEN SMITH: But in the name of the Council.

MR. PHIL COMER: Yes.

MR. STEPHEN SMITH: And it would be issued to the -- publicly, i.e., the media and other interested parties, and then I think it should be made available to all the committee members who are going to be at the federal level who are going to be -- and it could become part of the sort of push back that will be going on in response to this.

MR. PHIL COMER: But this would be the first policy decision from --

MS. MILES MENNELL: As well to every member of the TVA congressional caucus.

MAYOR EDDIE SMITH: I think Austin has got the gist of it. I think he understands what he needs to do. Then we will make sure everybody

knows about it.

MR. ROGER BEDFORD: Not to be a stickler, but don't we probably need to make a motion and approve that in the minutes?

MR. PHIL COMER: It's to be in the form of a consensus where we nod our heads and smile.

MAYOR EDDIE SMITH: If no one objects to it, then we'll assume that's a consensus.

MR. JIM CREIGHTON: Austin, you're willing to take that on?

MR. AUSTIN CARROLL: Yes, I will be glad to.

MS. JULIE HARDIN: Thank you, Austin.

MR. AUSTIN CARROLL: And we will probably just attach a list of the members, you know, names and who they represent and that kind of thing.

MS. JULIE HARDIN: Yes, that would be powerful.

MS. MILES MENNELL: Absolutely.

MR. JIM CREIGHTON: As the Senator is pointing out, one of the consensus tasks is that we

have head nodding training, you know, we need body language and that sort of thing.

MR. AUSTIN CARROLL: We can make progress.

MR. BRUCE SHUPP: If you're going Back to the list, are you ready to go back to the list?

MR. JIM CREIGHTON: Yes.

MR. BRUCE SHUPP: The question is, where does water quality fit into that?

MR. JIM CREIGHTON: I screwed up. It's on the list on the floor. It should have been here. I've just added it. It was just a plain transcription thing.

MR. BRUCE SHUPP: I saw maybe you worked it in with the public land management --

MR. JIM CREIGHTON: No. Never assume a conspiracy when human error will explain it.

MS. JULIE HARDIN: Could we add to water quality, water/air quality?

MR. JIM CREIGHTON: You're proposing that -- because the item that was on the agenda -- I mean, on the questionnaire was water quality. Air quality was a separate item. So it's a pleasure of

the group.

MR. LEE BAKER: I don't see adding air to it.

MR. JIM CREIGHTON: Okay. So we have one dissent. Any other comments?

MR. STEPHEN SMITH: I think air is important. We talked a little about this last time. I would foresee that this would lead to the formation of a subcommittee, that water quality would be a big enough task, in and of itself, and maybe we can visit it at a future date and do some more on air quality. I agree with you, it's very important, but I have a feeling that water quality is going to be a handful, in and of itself.

MR. JIM CREIGHTON: The intent is that this is not to be for the entire remainder of the term and this is all we're covering, we have just got to get some pieces we have got to get launched on.

Okay. So we have a committee that will address lake levels, whether it's under that name or integrated river management. We have a legislative activities committee, and this is a tad

21 different in that it probably isn't one that has
22 public, you know, non-council members on it. It's
23 more an early warning system for the Council.
24 Public land management and use, including
25 recreation, tourism, and economic development,

1 infrastructure, and water quality.
2 Just in general terms, is this an
3 acceptable list?
4 MS. JULIE HARDIN: Yes.
5 MS. MILES MENNELL: Yes.
6 MR. JIM CREIGHTON: Again, I need --
7 Paul?
8 MR. PAUL TEAGUE: Question. Have we
9 decided for sure that we're going to appoint
10 committees -- subcommittees for these?
11 MR. JIM CREIGHTON: No.
12 MR. PAUL TEAGUE: It's my
13 understanding we have not made that decision yet.
14 MR. JIM CREIGHTON: We have not made
15 that decision yet. All we're agreeing on is these
16 are the topics we're going to address.
17 MR. PAUL TEAGUE: You kept saying the
18 committees, so that's what confused me there.
19 MR. JIM CREIGHTON: I'm sorry. That

was my error. Okay. How do you want to address the issue of title for the lake levels versus integrated river management?

MR. PHIL COMER: Would it be possible to somehow retain both, is that --

MR. JIM CREIGHTON: Lake

levels/integrated --

MR. PHIL COMER: Lake levels-integrated river management.

MS. JULIE HARDIN: River system management.

MS. MILES MENNELL: No. My concern is under whatever the category is that we also consider things like aquatic habitat, weed management, et cetera. So I think if we just call it reservoir levels, I think we need a broader term.

MR. PHIL COMER: I'm suggesting both, you know, lake levels and integrated river management, which would include the six integrated factors that I think have to be included really.

MR. JIM CREIGHTON: Julie, and then I'll get Bruce. Julie, did you have your hand up?

MS. JULIE HARDIN: No. I'm sorry.

MR. JIM CREIGHTON: I'm sorry. Bruce?

MR. BRUCE SHUPP: I understand where you're going Miles, just that I think that when we're -- if we're going to define these topics to actually be a subcommittee issue, then we have to have specific questions for each issue, and if we lump aquatic vegetation management and whatever else

in lake levels in the same committee, there's going to be multiple questions and multiple resources where we will be answering those questions.

So I think we have to be more specific than that. I don't think you can put that integrated statement in one committee, I think it's too much for them to handle, and I think we couldn't handle the issue that well. I think we have to be -- particularly until we learn how to walk in this Council that we have to be much more specific.

MS. ANN COULTER: Well, what I am hearing is it's almost like --

MR. PHIL COMER: I don't think your mic is on.

MS. ANN COULTER: -- we have already made what we're going to do committees. I think

what I'm hearing in the discussion is it seems that we have already made the leap that we're going to do committees, and I -- you know, I don't think we have decided that yet. So I wouldn't necessarily be so concerned now about how this breaks down into potential committees.

I mean, I think the morning discussion, a lot of that was around the whole fact that the system has to be considered as an

integrated thing, and just to pull out portions of it, you don't do anything, a whole lot of judgement.

From that standpoint, I would rather see the integrated river management approach as an overall topic that we have addressed, whether that's by committee or subcommittees or as a whole, and not pull out certain portions of that, such as lake levels to be treated separately. I just don't think you can do them justice that way.

MS. MILES MENNELL: I did understand your point, Bruce, and I think it's well taken. If I understand you correctly, you're saying that obviously we're going to be dealing with -- it's an evolving issue, but if we take the topic of lake

levels, first of all, that we can ask a specific question. For example, what happens if, is that what you're saying?

MR. BRUCE SHUPP: Yes. And we could do the same thing with aquatic vegetation management, what should be the policy for aquatic vegetation management?

MS. MILES MENNELL: So you're saying -- and I am agreeing with you. So if we take these topics then one at a time, we can come to some sort of conclusion or policy recommendation about

the individual topic but not to lose the larger topic that Ann was talking about?

MR. BRUCE SHUPP: Yes.

MS. MILES MENNELL: I think that's an excellent recommendation.

MR. JIM CREIGHTON: I am still left not knowing whether it's integrated river management whose first assignment is lake levels or the lake levels committee that will morph into integrated river management.

MR. BRUCE SHUPP: How about this, how about if we adopt a guiding principle for the way we operate it? We operate under the guiding principle

of integrated river management and then tackle issues under that guided principle.

MR. ROGER BEDFORD: I think that makes sense. That goes back to what the Chairman said, just lake levels is too specific, just like vegetation would be too specific. They all come under the integrated river management system, and when we tackle in that, that would seem something that we would walk our way through, either as a group or a subcommittee.

MS. MILES MENNELL: And then do it by topic by topic by topic under the umbrella?

MS. ANN COULTER: I agree.

MR. PHIL COMER: I would agree to that as long as under the integrated river management we then list, you know, lake management a very high priority because there is a level of expectation back home. Whether we like it or not, we're not creating unrealistic expectations, it's already there.

MS. MILES MENNELL: Why don't we do it first?

MR. JIM CREIGHTON: So you're saying

the political optics are that the committee needs to be seen responding to the lake levels?

MS. MILES MENNELL: And why don't we take that up first under that general category?

MR. PHIL COMER: I repeat, it can't be taken on as an isolated thing. As I responded this morning to Jimmy, it's part of the total integrated management of the river.

MR. JIM CREIGHTON: Am I hearing that the overall topic is integrated river management but the first assignment we're tackling is lake levels?

MR. AL MANN: Within that category would be lake levels, underneath that will be aquatic, mosquito control, and then it could be all

of those other things coming down.

MR. PAUL TEAGUE: Each of these issues fall under integrated river management. The heading or the banner is integrated water management. And if you want to attach it, you have to attach it to every one of them, because they all fall under it. This it one, and everything else is A, B, C, D, E and F, because every one of these issues has to be integrated because you cannot -- we're not an isolated island. Any of these issues

are not isolated islands. They all interact and react with each other, the way I see it.

MR. JIM CREIGHTON: I just need some help in figuring out some way to get it up here and be able to move on.

MR. PHIL COMER: I think several people have said that we agree to it.

MS. MILES MENNELL: I think we're all agreeing.

MR. STEPHEN SMITH: I guess the thing that I need clarification on is, because I almost feel like there's two conversations happening parallel here. There's a conversation of the overall integration, which I think we all agree in, okay, but then I also hear this undercurrent whether

we're talking about committees or not because we haven't really addressed that.

I am kind of hearing people talking in one and talking about the other simultaneously because I am not -- I mean, I agree with the overall integrated, but I also believe we need subcommittees, and I don't think it's inappropriate for the subcommittees to take off bites and focus

9 and bring -- the subcommittee can't make a decision
10 without the overall Council.
11 The Council is where the integration
12 happens because that's what we're all about, but I
13 think it is appropriate for some subset of people
14 and some members of the general public that have
15 expertise, experience, and strong interest to
16 participate in the subcommittee level in order to
17 help sharpen and frame the issues so that when they
18 come back and are presented, they are presented with
19 the goal towards integration but a lot of the real
20 work is done, because if we -- if everybody -- if we
21 start walking through each one of these things one
22 at a time with the complexity in the full group once
23 a month or once a quarter, we're never going to get
24 it done.
25 So my sense is I am totally

1 supportive of the integration piece, I think that's
2 got to happen, but let the integration happen at the
3 full committee and let's allow functioning
4 subcommittees to specialize, sharpen, refine, bring
5 topics and recommendations and use this whole
6 committee for the integration, is that --
7 MR. JIM SUTPHIN: Amen.

MR. JIM CREIGHTON: I'm just struggling with trying to get a title so we can walk out and take a break.

MR. THOMAS GRIFFITH: Mr. Chairman, I'm ready to take a break. May I say that I think it needs to be -- the whole lake level question and all these other questions are totally related to the overall water system management, so I think that needs to be what we're talking about.

Now, as far as -- I have to disagree with some, and, of course, Stephen just said it on the committee situation, subcommittee, task force.

MR. JIM CREIGHTON: Can I get the break in and come back and start because that will launch a whole big topic?

MR. THOMAS GRIFFITH: I will mark my spot right there.

MR. JIM CREIGHTON: If I don't get

you right when we get back to it I --

DR. KATE JACKSON: Can I ask one question? Sorry. I am going to lengthen this a little bit.

As we're taking the break think a

little bit about -- one of the things that I heard was, let's talk about integrated management, but let's take on the lake level discussion first, think about what that means so you can explain that to me when we come back.

MR. JIM CREIGHTON: Okay. Would you look at your watches, ten minutes from whatever your watch says now, would you be in your seats, please?

(Brief recess.)

MR. JIM CREIGHTON: Okay. I think we have the topics that we want to cover. By the way, there was a question I had about where navigation is. I think it's predominantly in infrastructures, although it overlaps in some of the economic development stuff. But am I incorrect that was your interpretation of navigation, that it's predominantly in infrastructure? Okay.

Let me restate where we are then. These are the topics. The question now becomes: How do we begin to organize ourselves to do it?

I have been trying to operate on the assumption that we did not automatically need to do subcommittees, but it was an option to consider, nor would I assume that automatically you have to treat

each issue the same way.

So you can make choices that some of these are appropriate for discussion with the committee as a whole and some are appropriate for subcommittees to do some groundwork.

And, yes, Tom? I promised you.

MR. THOMAS GRIFFITH: That's all right. What I was going on to say on the committee -- subcommittee aspect, I can't say I am absolutely, totally opposed to it, but I am a little bit concerned about it, in that we, as a group here and as a council have come together, among other things, having supposedly brought input from our constituencies, and a subcommittee -- a subcommittee will study things, meet probably in between times that we meet, and they will be a little better versed -- a lot better versed, of course, than those who are not on it, but then they won't be maybe not having the whole input of the Council as such.

Depending on how this thing goes, it may not work without subcommittees, I don't know,

but I feel real strong toward them.

MR. STEPHEN SMITH: I mean,

3 personally I am a supporter of the subcommittees,
4 and my response to that would be that the
5 subcommittees are not given any power that -- I
6 mean, in essence, what happens is that everything
7 the subcommittees do is geared toward refining and
8 helping the full committee in making their
9 decisions.
10 So, therefore, those of us who may
11 choose, for whatever reason, not to participate on
12 the subcommittee are not going to be -- the
13 information is not -- is not going to be withheld
14 from us, it will be made available to us, and the
15 subcommittees will actually help sharpen and refine
16 and drive us to those real key decision points that
17 I think that each of us is going to have to grapple
18 with.
19 Because I don't think any of us --
20 all of us have bits and pieces of the puzzle, but
21 what would be most helpful to me is to come to a
22 full committee meeting and say, here are some issues
23 that you really need to grapple with because these
24 are the fundamental points that the integration is
25 beginning to conflict each other.

1 And based on that, here's the

research we have done, here's the facts and figures that should help you make that decision. And to me that would make these meetings be much more efficient. If we try to do it otherwise, I think we're just going to be here forever.

MR. JIM CREIGHTON: Stephen, I know you were on an advisory committee, and I know you're speaking some from experience you had there. Is there anything that you want to share?

MR. STEPHEN SMITH: Well, I mean, this is clearly one of the more complicated, but, yeah, there have been areas where we have been -- where I have been involved in subcommittees -- I mean, full committees, and the subcommittees do help sharpen it.

I think the thing I would just make sure people are clear of, no decision that the subcommittee makes will be a decision without it coming through the full body for full deliberation. It's really to aide and assist and draw in more people to help us make better decisions.

And this is where the integration happens. I mean, I'm very protective of that also because I don't want -- I mean, I feel a great deal

of responsibility as a member of this full committee and I would look forward to getting information from other people's interest on, say, navigation, which is one I may not -- or the infrastructure, if there was a committee set up on infrastructure, I may not absolutely participate in the committee -- in the subcommittee, but I would really look forward to having those issues sharpened for me and then come back and brought so I can make an informed decision about it. I think it just helps the efficiency.

MR. JIM CREIGHTON: Roger?

MR. ROGER BEDFORD: Thank you, Jim. I'd just say all of us have served on committees and we have chaired committees and we've watched committees work. So we all, I think, have come to a general agreement that there's really only two ways to do this.

One is that this committee sits here as a group and educates ourselves and takes whatever time it takes to talk our way through issue by issue by issue by issue with an understanding that nobody is locked in on the front end. If we said you can have 30 days instead of 60, you reserve the right to come back and revisit that at the end of the day.

The other way is to divide up areas

of interest, have subcommittees that have no authority to bind this committee but whose role and mission it is to focus the issue, gather more involvement and public input and come back and then present that to us so that we deal with it segments at a time, with the understanding that once all the segments have been dealt with, we reserve the right to step back in and refine the picture.

For instance, we may find that 60 days is a good idea, but we started out at 30 days, or we may not, and that's a simplistic numbers thing. I use that as an example because what the subcommittee may convince us is a good idea initially, once we have all the information available to us, we have to reserve the right to come back with the final product that only this Council can come together and only the members of this Council can come together and recommend.

So with that thought in mind, I see no danger in a subcommittee speaking for this committee, because they can't, they can't bind this committee, but what they can do is sharpen the focus and get the information in so that when they come in here, whomever is charged with that duty, can focus us on that in a more efficient and a more effective

way.

MR. JIM CREIGHTON: Paul, I know you had some concerns about it earlier. Did you want to jump in on this?

MR. PAUL TEAGUE: I don't have anything additional to add. Those are my feelings that if a subcommittee works to sharpen our image, fine, but no matter -- back to what Roger came out with, the final decision has to be made with us as a group.

I just hope that if we do have subcommittees that we don't waste the time of the subcommittee, because we will all have to have our inputs. We're all individuals. We're all fairly well informed of what we're doing and all conscientious in what we're doing. So we will all have input to that. So I just hope that we don't lose sight of the fact that the buck stops here as a group as a whole.

MR. JIM CREIGHTON: Any other comments?

MR. BRUCE SHUPP: I'd just reinforce Steve's philosophy and Roger's philosophy, I think -- I don't think we can exist without subcommittees. I think subcommittees are going to

be asked to do things that this committee as a whole would never agree to do, conduct public meetings, have in-depth multi-day work sessions, go over research reports, maybe even hire research to be done, and, you know, we just could not handle that.

I don't believe we would all agree to spend four days in a meeting or three days in a meeting, and I think some of our subcommittees are going to be asked to do that. They will be composed of volunteers from stakeholders that we represent, technical people and knowledgable people that we represent.

So I think we will have representation through the development of the recommendation and then the ability to act upon that recommendation later on.

MR. JIM CREIGHTON: So is the group in agreement that you do want to establish subcommittees for each of these?

MS. JULIE HARDIN: Yes.

MR. JIM CREIGHTON: Anybody with any heartburn on that?

MR. STEPHEN SMITH: Let me ask a

24 question. Phil circulated a memo here.

25 MR. PHIL COMER: A proposal.

1 MR. STEPHEN SMITH: A proposal. And
2 one of the provisions on his proposal is No. 3 that
3 says that on July 1998 TVA created the Lake Level
4 Policy Task Force, which reported on the
5 reevaluation policies, blah, blah, blah, blah, blah,
6 and it's basically been put into a moratorium.
7 Phil and I talked a little bit about
8 this in between the meeting. And I guess one of the
9 ideas that was bounced around, and Phil, correct me
10 if I am wrong in this, was that the committee -- and
11 I don't know where we got with this, but the whole
12 thing dealing with the lake levels issue, that the
13 subcommittee or whatever that was going to focus on
14 that would actually potentially serve as an
15 advisory -- in an advisory role to the reactivation
16 of this Lake Level Policy Task Force and that TVA
17 would undertake the broad range of investigation
18 necessary for this task force to kick into gear.
19 And I guess -- and Phil asked me and talked to me
20 about it, whether I would support it.
21 I guess I have a question, and I'm
22 trying to understand a little bit better about what

are the issues associated from TVA's perspective from the task force, getting it started again, what would it take, what would it take to gear up. I

mean, is this a realistic thing to do for us as part of the grappling with lake levels to re-engage the task force?

MR. PHIL COMER: I don't think we can find out the answer to that until we make a proposal to the TVA board, and they -- obviously it's their prerogative to respond by agreeing or saying no, yes or no. They will not do it by consensus. They will respond by agreeing or disagreeing. I don't think we will get an answer today.

MR. STEPHEN SMITH: I mean, my sense is that TVA has internally thought a great deal about reactivating the Lake Levels Policy Task Force.

MR. PHIL COMER: Correct, that's my impression.

MR. STEPHEN SMITH: My sense is that, you know, the three board members are not going to -- I mean, they can ultimately -- will ultimately make that decision, but they are going to rely on

probably several people in the room right now. So I think we could -- I mean, I would ask the question.

MR. PHIL COMER: I don't think that's fair. I don't think that's fair to ask that question of Kate right now. That's the same as

saying, Kate, you make a decision.

MR. STEPHEN SMITH: No. No.

MR. PHIL COMER: It's not Kate's decision to make.

MR. STEPHEN SMITH: Well, let's let Kate speak for herself. I guess what I am asking is, has TVA given thought to reactivating the Lake Level Policy Task Force, and what is your sense of engaging it? And the reason I ask this in this context --

MR. JIM CREIGHTON: I need to figure --

MR. STEPHEN SMITH: The way it fits in is because we were talking forming subcommittees on these things, and if the one on lake levels was as Phil and I talked a little about, and maybe I'm mischaracterizing, was to serve as an advisory role for TVA to reengage the task force, then understanding that would help me understand how to

go forward relative to lake levels as a subcommittee.

Do you see what I am saying?

In other words, if we were going to advise the TVA Task Force of whoever participated on the subcommittee, then we would need to know whether

the task force could actually be geared up and go forward to serve that role. It may function a little bit different.

MR. PHIL COMER: You can't get an answer to that question today. The TVA Board is not here. Our recommendations are to go to the TVA Board.

MR. STEPHEN SMITH: But what I'm asking is, I need to understand the issues associated with that before I can even consent on making a recommendation to the TVA board.

MR. ROGER BEDFORD: Well, I think -- if I might, I think the issue before us is whether or not we want to have subcommittees. And then I think beyond that, Stephen, I think this is a very good issue for discussion that Phil and you and all of us need to have and have input from Kate, but I

18 think we have been building all day to reach this
19 one consensus. I would like us to see if we could
20 get a consensus on subcommittees, and then all of
21 this is back on the table for whatever the --
22 MR. STEPHEN SMITH: That's fine. I
23 will pull my discussion back. I just wanted to know
24 that answer in response to how we form
25 subcommittees.

1 MR. ROGER BEDFORD: And I'm sorry,
2 Kate. I didn't mean to cut you off.
3 MR. JIM CREIGHTON: I have been
4 assuming that when somebody first thing in the
5 morning brings in a recommendation, that unless it's
6 time urgent, like the one Austin brought to us, that
7 it would normally probably be handed off to the
8 subcommittee to work it up and bring it back in
9 here.
10 Now, at the same time, the people who
11 developed this proposal, certainly have the right at
12 any time to shoot it straight to the Board if they
13 want.
14 MR. STEPHEN SMITH: I'm not -- let me
15 make sure you understand, I'm not endorsing or
16 asking for a response to this whole proposal. Item

3 to me had relevance in the discussion of subcommittees.

Let me -- I agree with Roger, let me step back, I withdraw what I said. Let's finish the consensus on subcommittees, then when we get into actually looking at the subcommittees relative to the lake levels, I'll reintroduce this idea.

MR. JIM CREIGHTON: My assumption would be that one of the first things to land on

that subcommittee's desk is going to be Phil's set of recommendations.

Bruce?

MR. BRUCE SHUPP: Are you ready to decide on the issue of whether we're going to have any subcommittees or all of those subcommittees, what are we --

MR. JIM CREIGHTON: We can break it out. I sort of heard us going to a subcommittee for each, but if that's up for grabs, let me know.

MR. BRUCE SHUPP: It's a big bite.

MR. JIM CREIGHTON: Am I correct in interpreting where we were going before?

MS. JULIE HARDIN: We've got a

subcommittee for Austin's group, we've got Miles and we have got Elaine, we have already formed a subcommittee.

MR. PHIL COMER: Yes, exactly.

MS. JULIE HARDIN: We have already formed a subcommittee.

MS. MILES MENNELL: We're a task force.

MS. JULIE HARDIN: We have already formed a task force.

MR. JIM CREIGHTON: Are we in

agreement then that you wish to form a subcommittee for each of these topics?

MS. JULIE HARDIN: Or task force.

MR. BRUCE SHUPP: Let's take them one at a time.

MR. JIM CREIGHTON: Okay. I think we're calling the first one integrated river management, with the understanding its first job is lake levels. So integrated river management, do you wish to form a subcommittee?

MS. JULIE HARDIN: Yes.

MR. JIM CREIGHTON: Please do something.

MS. JULIE HARDIN: Yes.

MR. JIM CREIGHTON: Okay. Legislative activities, I think, is already formed.

MR. AUSTIN CARROLL: We just want to be a task force. This subcommittee has got such a bad name already, we don't want to be associated with it.

MS. MILES MENNELL: Austin, I think we ought to think about work group, too.

MR. ROGER BEDFORD: We're not giving him any subpoena powers either.

MR. JIM CREIGHTON: I will only point

out one thing, that the advantage of being called the subcommittee is that way when you submit a travel bill and you're not a designated subcommittee, you might have some heartburn.

MR. ROGER BEDFORD: Well, subcommittee looks attractive after all.

MR. THOMAS GRIFFITH: Subcommittee is sounding better all the time.

MR. JIM CREIGHTON: Not for attending this meeting, but if you should have separate -- separate meetings, my interpretation would be only

subcommittees -- approved subcommittees would be --

MR. PAUL TEAGUE: Does that change the tune?

DR. KATE JACKSON: I think -- and again, I will let the lawyer correct me when I say something wrong. I think if there is an ad hoc working agreement that is -- that consists solely of Council members, I'm stuck paying for that. You know, if Austin goes to the Bahamas for this working group meeting, I think I can call that off.

MR. AUSTIN CARROLL: Oh, come on now.

MR. ROGER BEDFORD: I think that that's okay.

DR. KATE JACKSON: The issue if you

were a working group and you wanted 200 public citizens to be on your working group to travel once a week to Memphis, that's not okay.

So to the extent that you, as a group of Council members, are going to get together to do Council business between Council meetings, whether you're called a subcommittee or working group, I am happy to pay for that.

MR. AUSTIN CARROLL: Well, I primarily see the function of, you know, the task

11 force, or whatever you want to call it, of being a
12 dissemination of information and also what you-all
13 have asked us to do today.
14 MR. JIM CREIGHTON: All right.
15 Actually, as we get into the formation of these
16 subcommittees, you probably qualify as a working
17 group because one of the big discriminators between
18 a working group and a subcommittee is that in the
19 working groups it's assumed that the members are
20 only members of the Council. Whereas, when we get
21 to subcommittees, we're talking about people
22 outside.
23 DR. KATE JACKSON: Right.
24 MR. PHIL COMER: Jim, let me ask one
25 question to further clarify what Kate said. Kate,

1 if there should be a subcommittee composed entirely
2 initially of members of this Council, what you said,
3 you know, okay, should they decide, well, gee, we
4 need three people who have expertise, at that point
5 in time before doing anything about it, as I read
6 the original Charter, they would have to come to you
7 and seek TVA's specific approval.
8 DR. KATE JACKSON: And I would have

to ask the DFO to appoint them as members of the Council subcommittee on yadida.

MR. JIM CREIGHTON: And that's something we still have to talk about this afternoon.

MR. PHIL COMER: That can't be done without that step being in place?

DR. KATE JACKSON: That's correct.

MR. BRUCE SHUPP: What the Sport Fishing Boating Partnership Council does, Kate, is the subcommittees appoint working groups. Could you do that also?

In other words, the subcommittee will appoint a chair of a working group to do the work to bring it back to the subcommittee to bring back to the Council?

DR. KATE JACKSON: Sure. I think we

have that ability.

MR. THOMAS GRIFFITH: I'm losing sight of or losing track of, what are we going to be working on to begin with?

MR. JIM CREIGHTON: We have topics up here. What I would like to do, if I could, we still have not worked through whether we want one for each

group, can we do that?

Then we have quite a bit of stuff to talk about in terms of how we go about setting up. I hope this will -- and then we also need -- where I hope we are by the end of the day is to give a charge to each subcommittee of what it needs to get launched on and give them an assignment, in effect.

We're trying -- my observation is we're trying to do three or four issues at the same time. Can I get this one done and then come back? Is everybody in agreement on the public land management/use committee that wants a subcommittee?

MS. JULIE HARDIN: Yes.

MR. JIM CREIGHTON: Infrastructure?

MS. ELAINE PATTERSON: Yes.

MR. JIM CREIGHTON: Water quality?

MAYOR EDDIE SMITH: Yes.

MR. JIM CREIGHTON: Okay. We got

through one. Okay. Now, let me talk a little about some of the legalities because we took this issue a little further.

There are two competing values here. One is TVA does have some legal responsibility.

It's the entity that sets it up and has some commitments under FACA, some mandate under FACA, and obligations under FACA.

On the other hand, trying to represent the Council's interest, I was concerned that the Council have the opportunity to have a sense of it's controlling its own destiny and not be constantly having to say, mother may I, and so on.

So how do we bridge that? And the only way I knew how to bridge that was to, first of all, get TVA to be explicit about what it's concerned about. So, you know, what would cause TVA to have heartburn about the way that this group would set up?

So there is a memo called setting up subcommittees, and I would like to walk through it with you. Barry is here, and feel free to jump in at any time.

First of all, I asked TVA, what are your criteria? What would cause you to be

concerned?

And the first I thing I heard was, first of all, we're not interested in stacking the membership to produce a particular outcome, we TVA.

Under FACA TVA does have some responsibilities, at least in terms of the spirit of FACA to ensure the Council is broadly represented, and they would apply the same principle to the subcommittees. What they really don't want is one or two people with the same opinion going off and being the subcommittee. They would like to see the subcommittees observe the same need for representation and viewpoint.

MR. BRUCE SHUPP: Are you open for discussion?

MR. JIM CREIGHTON: Let me get through their criteria. TVA encourages you and really believes that each committee should contain a few members that don't start the process with a strong agenda or preconception of the outcome. They assume there will be proponents. Obviously, people willing to invest the time are people who care about the issue, but I think it's related to the broadly representative that they would like some people who don't start out having the answer already.

Because TVA is providing support to the committee, it does have an interest in keeping

the number of committees to a manageable number. It does also view the subcommittees an avenue for participation for individuals and groups who were not named to the Council, and the subcommittees need to be a workable size.

So what this was, was an effort to say, this is what TVA is going to be concerned about. I think implicitly it's a commitment that they are not raising a whole bunch of other issues later on so we're taken by surprise. So my logic was if we knew what they were going to be concerned about, we could respond to it and just not get crosswise.

Bruce?

MR. BRUCE SHUPP: I just -- if we're going to have, say, three or four members of the Council as a subcommittee, I'm not so concerned about their immediate balance, but that the additional members that are added to that subcommittee, whether it's a working group or just committee members, that's where the balance would come in.

So I think we could have two or three

people on a subcommittee here that would have the

same focus, the same interest, as long as they balance that down the road with their working group.

MR. PHIL COMER: Any additions are subject to TVA-Kate's approval, so I think that would help yield that battle.

MR. JIM CREIGHTON: What they're alerting to you -- giving you an alert here, that they are going to look at the group and see, and ultimately, at least in terms of stamp approval, they have to give their stamp approval.

Okay so far, Barry?

MR. BARRY WALTON: Yes.

MR. JIM CREIGHTON: We tried to get clear on what was the difference between a working group and a subcommittee. And one scenario was between now and the next meeting two or three members need to work on an issue and prep something to bring it back and so on, that seemed to be clearly a working group.

If you had another one where a group was set up to take the lead on developing recommendation to the Council that included both Council members and non-Council members who are representative and maybe they are going out and

asking for public comments to bring to the Council, it may be reporting back to the Council periodically and ultimately presents a recommendation, and that then seemed to trigger the legal approval thing.

Are we okay, Barry?

MR. BARRY WALTON: Okay.

MR. JIM CREIGHTON: So the distinguishing characteristics seem to be the involvement of non-Council members. Another thing seemed to be its role in relating to the public beyond, that it wasn't just functioning within the Council, and the fact that it was really related to a major policy decision of the Council.

Now, it's clear that the groups, with the exception possibly of the legislative activities things, the groups we've defined up here seem to fit the subcommittee category.

Okay so far?

So the question was: What's the process for setting them up that meets the Council's need to control its own destiny and TVA's need to get those interests that it's identified met?

The process is setting up a committee, starting with the Council, and we have just done that. The Council will address TVA's

criteria during its discussion of the need for the subcommittee and the membership of the committee.

Council members would be given an opportunity to express an interest in being a member of a particular subcommittee. The Council chair would designate a proposed chair of the subcommittee in consultation with the Council members, and I believe probably in consultation with Kate, that should be an addition here. The Designated Federal Officer is Kate.

The Council chair and proposed committee chair would meet to review the need and membership of the subcommittee. If the DFO has concerns about the subcommittee, it would bring -- she would identify that and bring it back to the Council for a discussion, along with a written description of her concerns.

And the DFO Council chair and proposed committee chair can appoint additional members besides the volunteers from the Council to ensure representation and balance.

Does that seem like a feasible approach and a reasonable balance between TVA's needs and yours?

Going. Going. Okay.

The second part really is related more to whether or not you had subcommittees, and I believe you have already decided that. So at least procedurally we have a way of handling it.

The two things that seem to be remaining is some way for you to self-identify which subcommittees you would be interested in being on and some assignment in terms of what's the subcommittee to be doing so that we're not just burning up the next 30 days just getting the subcommittees going?

MR. PHIL COMER: Would you like a show of hands on item No. 1 or how would you like to proceed?

MR. JIM CREIGHTON: Originally, I thought we would put up flip charts, but we don't have them. Maybe the show of hands is the fastest. Is the show of hands the fastest and most expeditious thing now?

And understand that this is a commitment of time, potentially significant time?

MR. STEPHEN SMITH: Can I interject my point now at this point because it would make a distinction to me about possibly participating on No. 1?

Again, I just frame my question to Kate. Can you just give us a sense of what is -- what are the issues associated with firing up the task force on lake levels?

DR. KATE JACKSON: Really the biggest issue -- and when you say firing up, I assume that you mean launching into the actual task of reevaluating the operation of the entire reservoir system.

The biggest issue there or critical path is the development of tools that will bring down to economic terms the value of flood reduction, flood impact reduction and navigation, and then begin to identify the issues with recreation.

The economic analysis of recreation are difficult to compare, are not the same kind of fruit as the economic evaluation of, say, shipper savings or hydropower value. So to the extent that some of those tools don't yet exist, that is the critical path. We are currently funding those activities now to generate those tools.

Now, the thing that I think the Council or the subcommittee, however you decide to

form yourselves, can wrestle with -- which would help and kind of jump start that process is

beginning to talk about the compromises that will need to be made as we're moving forward and talking about different operations of the system.

Clearly compromises are going to have to be made. There aren't going to be more drops of water. So wrestling with some of those issues up front may make long-term that reservoir reevaluation much more efficient.

MR. STEPHEN SMITH: One other question. Will the reservoir reevaluation require a need for coverage?

DR. KATE JACKSON: Yes.

MS. MILES MENNELL: Require what, Stephen?

MR. STEPHEN SMITH: National Environmental Policy Act, which is, i.e., an environmental impact statement.

DR. KATE JACKSON: Yes.

MR. STEPHEN SMITH: So there would have -- so once you initiated that, you would actually have to go into the process of scoping and everything else?

DR. KATE JACKSON: Yes.

MR. AL MANN: I have a question. So the statement this morning that was made -- can you

hear me -- in this David Cooper letter that said, all the required paperwork is done, that's incorrect, just making reference to --

DR. KATE JACKSON: And I guess I have to, you know, go back to my experts in the field over there. That's incorrect.

MR. AL MANN: That is incorrect?

DR. KATE JACKSON: That's an overly generalized statement.

MR. JIM CREIGHTON: Barry is --

DR. KATE JACKSON: Barry is dying to speak to that, gratefully.

MR. BARRY WALTON: I believe he was referring to the legal requirements of NEPA, National Environmental Policy Act, under which we did the environmental impact statement for the study that was completed in December 1990.

Normally doing an EIS you have a range of alternatives and the Agency is free to pick, not necessarily the one it proposed, but

anything within that range that was considered, and October 1st and October 31st were considered.

The issue though in trying to determine whether now in the year 2000 that NEPA paperwork that was done is okay is, have things

changed? Is that analysis still fresh? And we would have to start by evaluating and asking ourselves that question. And all the folks I talked to assume that they would want to look at it differently, they would want to consider different things than they did back then.

So, yes, he was right, or I agree with him in one sense, but in a practical matter I don't think there's any way that we could get there on the existing paperwork.

MR. JIM CREIGHTON: Is it correct that if you picked one of the options that was already identified, then maybe you could do a supplemental or something like that, but if you're going to consider a broader range of alternatives, then it opens up the door?

MR. BARRY WALTON: It may be, but if the analysis is not fresh, if it needs to be done substantially, it's not going to matter whether you

call it a supplement or a new EIS.

MR. JIM CREIGHTON: You're going to have to do the same level of work anyway?

MR. BARRY WALTON: Yes.

MR. JIM CREIGHTON: Bruce?

MR. BRUCE SHUPP: Having been

involved with these at a state level, and assuming that someone is going to challenge you if you try to go with the 1990 document, you're -- even if they don't beat you in court, your executives will direct you to file a new one anyway. I mean, that's the way we always went.

I mean, as soon as somebody challenges it, well, let's go to a new EIS. So I think the answer is, absolutely, there will be a new EIS done for this, and that's going to drag the process another two years after the options are developed.

DR. KATE JACKSON: Minimum. I mean, the more problematic and inflammatory the topics are, the longer that it will take because you will want to actively have public participation to reach consensus on an increasingly emotional issue.

MR. BRUCE SHUPP: Well, the other option, of course, and it takes just as long, is to do like licensing, like most of the power companies are doing that we're dealing with now, is up front work all the issues out first before you -- and develop the license application and go forward with it. So you can do the same thing with the EIS, work all the issues out up front with all the public

process, and then file an EIS that you think everybody is going to agree on.

DR. KATE JACKSON: Same time frame though.

MR. BRUCE SHUPP: Same time frame.

DR. KATE JACKSON: Except you lose the credibility of substantive and meaningful public interaction early on in the process.

MR. JIM CREIGHTON: Let me check, do you want to do a hand raising thing or is the easier thing to pass around a sheet?

MR. ROGER BEDFORD: Jim, before we do that, because I am ready to raise hands and sign up or not as anybody, but the thing that concerned me was you said, and then we're going to give each subcommittee a charge.

17 I thought when we decided what these
18 issues were, we sort of defined what the charge is.
19 I mean, are you talking about changing the scope of
20 what we've put on the board here? I thought we had
21 sort of consensus built to that and the charge would
22 be how soon we have got to get back or --
23 MR. JIM CREIGHTON: What I was hoping
24 to do is to give them some assignment so that by
25 the -- what you need to do between here and the next

1 meeting so that we just don't lose those whole 30
2 days getting organized.
3 MR. ROGER BEDFORD: I'm in agreement.
4 MR. THOMAS GRIFFITH: Wait a minute.
5 You mean some assignment related to that or just
6 some --
7 MR. JIM CREIGHTON: The assignment
8 might be by the next meeting they have to have a
9 work plan on how they are going to tackle their
10 issue, it might be something as basic as that. So
11 maybe it will be an organizational month, but
12 there's product expected by the end of the next
13 month so that we're not really starting the next
14 meeting right where we are right now, that was the

intent.

Let's try -- let's see -- Sandy, can you come up and be a scribe? I guess actually we have got the -- I will call out names and can you catch names and we will -- I'm going to call out the names who raise their hand and we need to be sure we capture them because you will be our official -- Forrest, you can back us up. The preliminary -- Forrest will be the preliminary list and you will be the emergency list. Okay.

Those who wish to be involved or who

are volunteering to be involved in the integrated river management committee. Phil, what a surprise. Phil Comer.

MR. PHIL COMER: I wanted to be first.

MR. JIM CREIGHTON: Al, Al Mann. Bill Forsyth. W. C. Nelson.

Anyone else in the room that's volunteering for that one? Okay.

MR. PHIL COMER: Would you name those once again? I'm serious. Were there three people?

MR. JIM CREIGHTON: Phil, Al, Bill, and W. C.

MR. PHIL COMER: I got it.

MR. JIM CREIGHTON: Okay. Legislative activities is Austin.

MR. AUSTIN CARROLL: Yeah, I'm going to do that.

MR. JIM CREIGHTON: And Miles.

MS. MILES MENNELL: And Elaine.

MR. JIM CREIGHTON: And Elaine. Right now --

MR. STEPHEN SMITH: Are we doing the legislative stuff?

MR. JIM CREIGHTON: Legislative.

MR. STEPHEN SMITH: Now, that's a working group right now.

MR. JIM CREIGHTON: It's mostly to track what's happening on various hills. So add Stephen Smith as well.

Okay. Public land management/use, which includes recreation, tourism, economic development. Roger Bedford. Julie Hardin. Ann Coulter. Paul Teague.

Got everybody?

MR. THOMAS GRIFFITH: Run that by us.

What is that going to include again?

MR. JIM CREIGHTON: That's public land management issues and usage, such as recreation, tourism, and economic development. The only thing that we had on the list it didn't include was shoreline management.

MR. PHIL COMER: Call those names once again, Jim.

MR. JIM CREIGHTON: Okay. It was Roger Bedford.

DR. KATE JACKSON: Julie Hardin.

MR. JIM CREIGHTON: Julie Hardin. Ann Coulter. Paul Teague. Have you got everybody? Okay.

Steve, did you --

MR. STEPHEN SMITH: I'm okay. I think what I will do is I will work through Julie with a lot -- and other members of the task force on some issues.

MR. JIM CREIGHTON: Infrastructure, and this includes -- really at one point it was called navigation infrastructure, but we opened it up because it might include some other kinds of infrastructure things. So Elaine, Elaine Patterson.

MS. MILES MENNELL: And Miles.

MR. JIM CREIGHTON: And Miles Mennell. Anyone else on that one?

MR. PHIL COMER: Those two.

MR. JIM CREIGHTON: Those two. That doesn't mean that this is the final composition, this is just the Council members.

MR. PHIL COMER: Sure.

MR. PAUL TEAGUE: One of the guys that raised the biggest issue on navigation was from Kentucky, and he said he handled 25 percent of the traffic on the Tennessee River. I think it would seem to be appropriate if we might invite or coerce one of the Kentucky guys to be on this transportation --

MR. JIM CREIGHTON: Yeah. And maybe one of the assignments that we give each subcommittee is to develop a list of candidate members, that might be an appropriate task between now and then.

MR. AUSTIN CARROLL: I nominate Al.

MR. PAUL TEAGUE: I was thinking about that myself, he's got contact with them.

MR. AL MANN: I have contact with them, but --

MR. PAUL TEAGUE: It's just a suggestion.

MS. JULIE HARDIN: You will do it.

MR. JIM CREIGHTON: I think people like that are obvious candidates, but I would need to do that on each subcommittee. Right now I would rather let the subcommittees work that up for us.

Is that okay?

On infrastructure we have got two Council members. Okay.

Water quality. Okay. Stephen Smith. Roger Bedford. Bruce Shupp. Jimmy Barnett. Elaine Patterson. Okay.

Then the next -- go ahead.

MR. AUSTIN CARROLL: Can I also be on

the first one, integrated river management?

MS. MILES MENNELL: Can I also be on the first one also?

MR. JIM CREIGHTON: Would you add Austin Carroll and Miles Mennell?

MS. JULIE HARDIN: Wow, you're on four.

MS. MILES MENNELL: No, I'm not.

MR. ROGER BEDFORD: You can be on as many as you want to work.

MR. STEPHEN SMITH: And my sense is that a Council member can join a committee at any time they want to.

MS. MILES MENNELL: Yeah.

MR. STEPHEN SMITH: Basically what we're doing is just creating the start-up, and if one of us decides that we would like to join in, I mean, we can freely move to whatever.

MR. BRUCE SHUPP: But you can never quit.

MR. JIM CREIGHTON: It's like joining the mafia, you never quit.

MR. STEPHEN SMITH: That's why you're hesitant to start it up.

MR. JIM CREIGHTON: I would assume

since it's the additional members really that you're approving, you're approving the overall thing and overall balance. I guess the only qualifier would be if that by other Council members joining you skewed the representation somehow and then we may --

MR. STEPHEN SMITH: Well, yeah, but the thing about it is, I mean, I think that -- I mean, the Council members are ultimately going to be engaging with this stuff anyway. So I can't see any reason why a Council member should not be freely encouraged to move and participate in -- I mean, some of this is just the recognition of what we can personally undertake, but there may be particular aspects of the discussions that I would want to engage in at different times, but I may not be willing to invest all the time associated with the various things.

MR. PHIL COMER: Stephen is saying he'd like to be an occasional gadfly, and therefore, he has the license to do so.

MR. JIM CREIGHTON: Just because you're not signed up as a committee member doesn't mean you can't attend the meeting.

MR. STEPHEN SMITH: And participate -- I mean, being recognized as a full

Council member in your participation, and gadfly, too, that's very important.

MR. PHIL COMER: I think it would be self-regulating just in terms of the amount of time

people have available to devote to it.

MR. STEPHEN SMITH: Gadflying usually doesn't take that much time.

MR. JIM CREIGHTON: Actually, Stephen, I think you've already been recognized as a gadfly.

MR. STEPHEN SMITH: Yeah, right. That's important. As a matter of fact, I may change my title here.

MR. JIM CREIGHTON: Dr. Gadfly.

TVA, any problems with that? Okay.

Then I think the major task that we still need to get done is what -- well, first of all, let's talk through how the chairs will be selected.

I think the -- we had a little discussion of this last night, because it was one area we hadn't covered in the memo. I think the plan was that over the next week or two you will get some individual phone calls and be asked to say who within your group makes sense as a chair and that

then Kate and Eddie will sit down, and based on that data, will do some inviting, and that avoids the

embarrassment of elections and all of that stuff and so forth.

Is that an acceptable process? Does anybody have any -- okay. So expect phone calls. If you're on several subcommittees expect several --

MR. PHIL COMER: Who will call?

MR. JIM CREIGHTON: I don't know whether I will or somebody from TVA will, we don't know that yet.

MR. PHIL COMER: I mean, either you or --

DR. KATE JACKSON: Someone whose name you recognize.

MR. PHIL COMER: Good answer.

MR. JIM CREIGHTON: It won't be from the Census Bureau.

MR. PAUL TEAGUE: Long form or short form?

MR. JIM CREIGHTON: Okay. The last thing that I want to be sure we handle before we go is what assignment we're going to give to this group in anticipate -- well, let me say, it's not the last thing.

We need to talk about the assignment.

We need to talk about what you want to deal with next meeting, whether we want to take a cut at one of the topics, and we also have to talk about whether there are additional educational activities which you like to have associated with the next meeting. And I have a shopping list here of possibles so that you can have that, too.

So the kinds of things I meant by an assignment were such as, recommend your membership by the next meeting, develop kind of a layout, a strategy for how you're going to address your issues so that you can kind of do the process work before coming here, so that what you have is at least a strawman proposal that you can lay on the table so that the committee can react and review something rather than have to create it. Big groups are better at reviewing stuff than creating stuff.

Those are the kinds of things I was thinking of. What are your -- Elaine?

MS. ELAINE PATTERSON: I think that we have just heard so much about lake levels today and I think we -- I have personally come up with more questions than conclusions. I think sort of a lake level 101 where you can explain to us all the

different impacts of, you know, raising and lowering lake levels.

DR. KATE JACKSON: I would be happy to do that, and I think we could even do a premiere on the 1991 environmental impact statement, which would give you some -- I know you have that big thick book, but translating it into a half hour presentation may be very helpful. That's probably the best mechanism through which to do that, recognizing that some of the numbers have changed over the last decade, but that would be a good start.

MR. BRUCE SHUPP: I think one of the assignments to the subcommittees for the next meeting would be for them to develop their recommended charge and bring it back to the committee as a whole.

I mean, I'm volunteering for the water quality subcommittee, I have no idea what the best direction or the most important task to tackle would be, but between now and then, with a subcommittee meeting, that can be worked out. I think every other subcommittee will go through the same thing.

Then the lake level issue, I think

that the committee is going to have to sit down and really refine what they want to get into and how they want to state that. So I think if we all develop our charge by next meeting, we'd do well.

DR. KATE JACKSON: So are you suggesting that each subcommittee will have at least one meeting between now and then to develop the charge and maybe get a preliminary lay of the land on what the "it" is that you're looking at?

MR. BRUCE SHUPP: Definitely.

DR. KATE JACKSON: So infrastructure would get a briefing on what the infrastructure is, what Chickamauga Lock issues are, what Kentucky Lock issues are, and then you could wrestle with that and come back with a charter?

MR. BRUCE SHUPP: Exactly. Would that be workable for you?

DR. KATE JACKSON: Absolutely.

MR. JIM CREIGHTON: Develop a draft charge. I had also suggested that it do some work on draft membership, who else out there in the world needs to be included.

A third possibility is kind of developing a work plan, like what additional information and what sequence and what timing and

those kinds of things that could be related to the charge, is that too much to expect, the third one?

MR. BRUCE SHUPP: I don't think so. I think at least the strategy for a work plan, not necessarily a definitive work plan but a strategy. I think until you get your membership together, you know, you wouldn't really have much of an idea of where you're really wanting to go.

MR. JIM CREIGHTON: Okay. Is this reasonable to -- that by next meeting we will -- each work group will have this to present to the Council as a whole?

I need some body language.

MS. JULIE HARDIN: Yes.

MR. JIM CREIGHTON: Okay. The other question then is it sounds like Elaine was proposing that we go further in-depth as a Council as a whole on the lake levels issue, reservoir levels, whatever we're calling it.

Is that the desire of the group?

MR. ROGER BEDFORD: I think that would be -- I apologize, Bruce.

MR. BRUCE SHUPP: The only thing I was going to say, Roger, was that if we're going to do that, maybe we would have to consider more than a

one-day meeting, because if we're going to let every committee go through their strategies and have the Council discuss those strategies and verify and agree, we might not be able to handle a morning's presentation on lake levels.

MR. JIM CREIGHTON: Group?

MR. STEPHEN SMITH: Let me ask this question: Does it make sense for us to think about -- because what I heard Paul say, and what I think we're all agreeing to, is that the subcommittees are going to be real working groups, but ultimately the decision making is still coming back here.

Does it make sense for us to plan -- because we're talking about maybe having three or four sort of monthly meetings and then start going to a little different time frame. So maybe what we plan to do is that we get briefed as a full committee on each of the topics of the subcommittees over the next few meetings while the subcommittees are getting up to speed and everything so we all get some preliminary stuff.

And then what happens is we go into a

meeting maybe once every couple of months or something like that, three months or whatever, and

at that point we start getting back together where the committees are actually going to be bringing solid sort of information before the whole group.

So I am -- I mean, I'm comfortable doing the integrated watershed reservoir level discussion first, if that's what we want to do, and then maybe go into some of these others so that when the full committees report back we have a little better understanding and it gives us a way of sort of chomping on this stuff as a full committee and then also seeing that the task be done.

That's just a proposal. And it may be that -- given that, that we may want to shift the order around, but I am perfectly comfortable at whichever one people want to go first at.

MR. ROGER BEDFORD: Mr. Chairman, what I was going to say is, I think it's important at each one of our meetings that we have a general education time set aside. I found today very informative myself. It raised a lot of questions that I didn't have enough information about to know that it should be a question and now do.

23 So I think probably a blending of the
24 two where at the next meeting it's important for the
25 subcommittees to say, this is what we have developed

1 one, two, three, and here they are, so there's no
2 heartburn among any members of the Council, and if
3 there is, then let's deal with it.
4 If not, then maybe the subcommittees
5 need to go to work, but we, as a committee, has got
6 to continue this whole educational process because
7 we're going to be the ones that make the decisions
8 ultimately. So the more general information we
9 have, the better informed we will be, and hopefully,
10 the better decision we will make as a group.
11 MR. JIM CREIGHTON: Stephen's
12 suggestion was sort of on the same line, which is at
13 each meeting for the next two or three we would get
14 the subcommittee reports and we would tackle one of
15 these. Does that address --
16 MR. ROGER BEDFORD: Yes and no, and
17 I'm not splitting hairs. What I'm saying is I
18 envision these subcommittees not -- once we approve
19 their charge or their mission or no one has
20 heartburn on what they're dealing with, I don't know

that they have to come back to us at the next meeting, or maybe they do, maybe we want to keep it on a tight reign, but I would like to let them work.

And when they have got a product and we set some time lines, come back to us and tell us

what their product is and let the Council debate it as a whole. If we want to set aside a couple of hours at every meeting to say, where are you, subcommittee, that's fine, too.

MR. JIM CREIGHTON: So your point was next meeting for sure we need to hear from the subcommittees but you're not sure whether we will need it each subsequent time.

MR. STEPHEN SMITH: I don't think that in my proposal that I was really proposing that we have subcommittees, I was proposing that we hear -- I was like the educational piece on different topics. And, you know, whether the subcommittees have anything to report in the next couple of months, I think they may not. They may want to bring up issues of clarification or something, but I don't think it should be a requirement.

MR. JIM CREIGHTON: So next meeting

is subcommittees and lake levels. The next one with the highest priority in terms or our original vote was the land management and use and so on. Infrastructure and water quality was sort of a tossup.

Do you want to give us any guidance

or do you want to decide next meeting which one? It helps us to plan out ahead.

MS. JULIE HARDIN: Decide next meeting.

MR. JIM CREIGHTON: Next meeting each subcommittee is expected to come back with a draft charge with a proposed membership and a work plan, a strategy, whatever you want to call it, at least take a cut at it. So that will be a major agenda item. And the other major agenda item will be an education program on the whole lake levels and the '90, '91 report and that whole thing. Okay.

Are we all right on that?

We will take the committee thing from there as to how much time each subsequent is -- are we okay with the idea of probably two or three more meetings that we need to be meeting monthly?

MR. STEPHEN SMITH: Can I -- on the issue coming up next month on lake levels, is it possible also within the context of the '90, '91 discussion to talk a little bit about -- as part of -- sort of, what are some of the analytical tools that may be necessary so we would understand sort of how you would get that?

And then, I guess, in the context of

that, even some sort of not passing judgment but just sort of the pros and cons of some of the economic analysis, because when I was reading the GAO report it seems like they were, you know, pointing out some of the economic analysis had this deficit versus that deficit, and it would help us, I think, to sort of zero down on what kind of good analysis is out there and what are the holes that you guys need analytical tools to fill and that kind of stuff. So I guess I would ask that it's broader than just the 1990 stuff.

MR. JIM CREIGHTON: The question had to do with, are we kind of going to go under the assumption that for at least a couple more meetings we will do it monthly?

MS. JULIE HARDIN: Yes.

MR. STEPHEN SMITH: I would suggest that we do it monthly until we get through all of our education topics.

MR. PHIL COMER: Jim, we have got tentative monthly schedules through August. Dates have been sent through August.

MR. JIM CREIGHTON: We have got June, July, August.

MS. JULIE HARDIN: And August.

MR. PHIL COMER: The 23rd of August was suggested earlier.

MR. JIM CREIGHTON: Do we need to go any further than that?

MR. AL MANN: That's three consecutive months.

MR. PHIL COMER: Jim, let me name the dates to be sure.

MR. PAUL TEAGUE: When is the August and where?

MS. JULIE HARDIN: We don't know where yet.

MR. PHIL COMER: June 22nd, TVA Council Memphis. July -- excuse me, July 20th,

Tupelo.

MR. STEPHEN SMITH: I have the 28th.

MR. PHIL COMER: I had that and I erased it. Why is that?

MR. AL MANN: At the last meeting we had the 28th date.

MR. JIM CREIGHTON: I'm hoping it's the 28th because I have a conflict otherwise.

DR. KATE JACKSON: We had the 20th originally and we changed it to the 28th.

MR. PHIL COMER: 28th of July.

August 23rd.

MR. PAUL TEAGUE: If nobody has got any objection, I suggest that we have these on Friday because that ends the week and it doesn't disturb the week as much if we end it up on Friday.

MR. PHIL COMER: I hate that. I'd much rather have Wednesday or Thursday.

MR. ROGER BEDFORD: How about a compromise of Thursday and Friday then?

MR. PHIL COMER: I'm home on Friday.

MR. JIM CREIGHTON: Can I raise the problem of having locked in these dates and made commitments to all kinds of people assuming these

dates and if we tinker with these right now --

MR. PAUL TEAGUE: We're not tinkering with these.

MR. JIM CREIGHTON: Okay.

MR. PAUL TEAGUE: The future.

DR. KATE JACKSON: August 23rd.

MR. JIM CREIGHTON: Can we discuss that after another meeting? I am open to that, but I am going to have major heartburn if we tinker with these three.

MS. JULIE HARDIN: Phil, where is the August 23rd, August the 23rd?

MR. PHIL COMER: August 23rd, there was no designated place.

MR. BRUCE SHUPP: I don't even have the date in my book.

MR. PHIL COMER: It was in one of the handouts originally.

DR. KATE JACKSON: The 23rd of August, we have not yet designated a place.

MR. ROGER BEDFORD: Where are we going on the 28th?

DR. KATE JACKSON: Tupelo.

MS. JULIE HARDIN: Tupelo on the 28th and Memphis on June 22nd.

MR. AL MANN: Are all of these one day?

MR. JIM CREIGHTON: That gets back to Bruce's question. Does the next meeting require two days or is it one day?

Roger, did you want to --

MR. ROGER BEDFORD: No. I'm voting with Paul. I mean, I'm voting one.

MR. JIM CREIGHTON: Paul is saying one.

MR. ROGER BEDFORD: I like the concept of coming in the night before, the afternoon

before, those people who can, and we have some type of social activity and share input with each other, then hit it early the next morning and grind it out.

MR. JIM CREIGHTON: That seems to be -- I see quite a few -- Forrest, is there -- on your list of educational activities, is there one close to Memphis?

MS. FORREST RICH: Yes. That is the start, that heads the list up.

MR. JIM CREIGHTON: Do you want to

describe that and let us ask whether enough of the group are interested to justify it?

MS. FORREST RICH: We assumed that Herman Morris from Memphis Gas Light & Water might have some suggestions for us. So there's a place holder there, as with any of you that might want to suggest learning activities and tours and things that we might do when we're in your areas.

The other thing was the Allen Steam Plant, that you want to take a look at that. Of course, there's a lot of Mississippi River stuff right there as well.

MR. JIM CREIGHTON: Does any of that strike a responsive cord? I need to know whether it's enough to justify organizing something.

MR. AL MANN: If we're going to make it a one-day thing, aren't we going to have -- be pretty busy that one day?

MR. JIM CREIGHTON: We wouldn't be able to do this -- it would have to be that those that were interested would come in the day before and do that and then --

MS. JULIE HARDIN: Just like we did

this week.

MR. JIM CREIGHTON: Others would join you for the reception and dinner the night before. Maybe what we can do is if we have the e-mail thing set up you can lay out a proposal to the group and find out how many sign up and make a call as to whether it's justified. I mean, if two people want to do it and it's a major event to organize, then we might very well say thanks but no thanks.

MR. PHIL COMER: Let's also remember that June 22nd is going to be here before we know it, and therefore, I would like to respectfully request that any draft of the minutes of this meeting be presented so that we have more than two days to respond, if that's possible.

MS. FORREST RICH: Fully noted.

MR. BRUCE SHUPP: Looking at my own

schedule, there is actually no week between now and June 22nd that I could have a meeting with TVA and the subcommittee to discuss what we're getting -- talking about. I wonder if we're not biting off more than -- all of us are --

MR. PHIL COMER: It may be a telephone conference call.

DR. KATE JACKSON: What about conference calling, is that possible for you?

MS. JULIE HARDIN: What day of the week is the 22nd?

MR. PHIL COMER: Thursday.

MS. JULIE HARDIN: Thursday.

MR. JIMMY BARNETT: A conference call for sure.

MR. PHIL COMER: I think that's the way it will have to be.

DR. KATE JACKSON: You might want to set up a conference call but be thinking about when you could meet physically in the month of July before the July meeting. So set aside another day for the subcommittee meeting out further but do a conference call between now and then.

MR. PHIL COMER: Because of nearness.

MR. STEPHEN SMITH: Maybe members of

each could get together before they actually break up and see if we can nail down some dates, because otherwise, it's just going to be a logistical headache to try to do it when we're apart.

MR. JIM CREIGHTON: At least a phone

conference call date. So can we just arbitrarily say that, well, those of you who are going to be on the river management can kind of gather towards here. Those who are going to be on the public land one sort of gather by that easel over there. Those that are going to be on infrastructure over here. Those that are water quality to over by the public address system.

MR. PHIL COMER: What for?

MR. JIM CREIGHTON: To figure out when you are going to have the telephone conference or a meeting so that when you leave today you have nailed down at least a starting point.

MS. JULIE HARDIN: Where is public lands going to be?

MR. JIM CREIGHTON: Back there.

MR. BRUCE SHUPP: Could we have a TVA advisor for that day, too?

DR. KATE JACKSON: Absolutely.

MR. BRUCE SHUPP: Someone that fits

in the category?

DR. KATE JACKSON: Absolutely. Spread yourselves out, TVA folks.

MAYOR EDDIE SMITH: Let me just say

one word. I would like to thank all of you. I think we've had a good, productive day, and we will see you next time.

END OF PROCEEDINGS

REPORTER'S CERTIFICATE

STATE OF TENNESSEE)

: SS.
)

I, Kimberly J. Nixon, RPR, the officer before whom the foregoing cause was taken, do hereby certify that the persons whose testimony appear in the foregoing transcript were duly sworn, and that the testimony of said persons was taken by me in machine shorthand, and thereafter reduced to typewriting by me;

That the exhibits annexed to this transcript are the true, accurate and only exhibits introduced, and that the transcript was prepared under my supervision, and attached to this certificate is a true, accurate and complete transcript, as provided by law;

That we are neither counsel for, related to, nor employed by any of the parties to this action; and we further certify that we are not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action; and that the foregoing transcript is complete and accurate in all particulars, as provided by law.

In witness whereof, I have hereunto set my hand this_____day of_____, 2000.

_____
KIMBERLY J. NIXON, RPR
NOTARY PUBLIC IN AND FOR THE
STATE OF TENNESSEE AT LARGE.
MY COMMISSION EXPIRES APRIL 9,
2000.

Stewardship of Watershed Resources

Ruben O Hernandez

Vice-President

Resource Stewardship

Stewardship of Watershed Resources

- Scope of watershed
- Developing Watershed plans
- Implementing watershed improvements
- Issues and challenges

Scope of Watershed Managed

- 41,000 sq. miles in Tennessee Watershed
- 42,000 miles of streams
- 11,000 miles of reservoir shoreline
- 293,000 acres of TVA land

Scope of Watershed Managed

- 500,000 acres of easements
- 500,000 acres of land transferred to other multipurpose uses of lands
- 65% of land resource conservation

Developing Watershed Plans

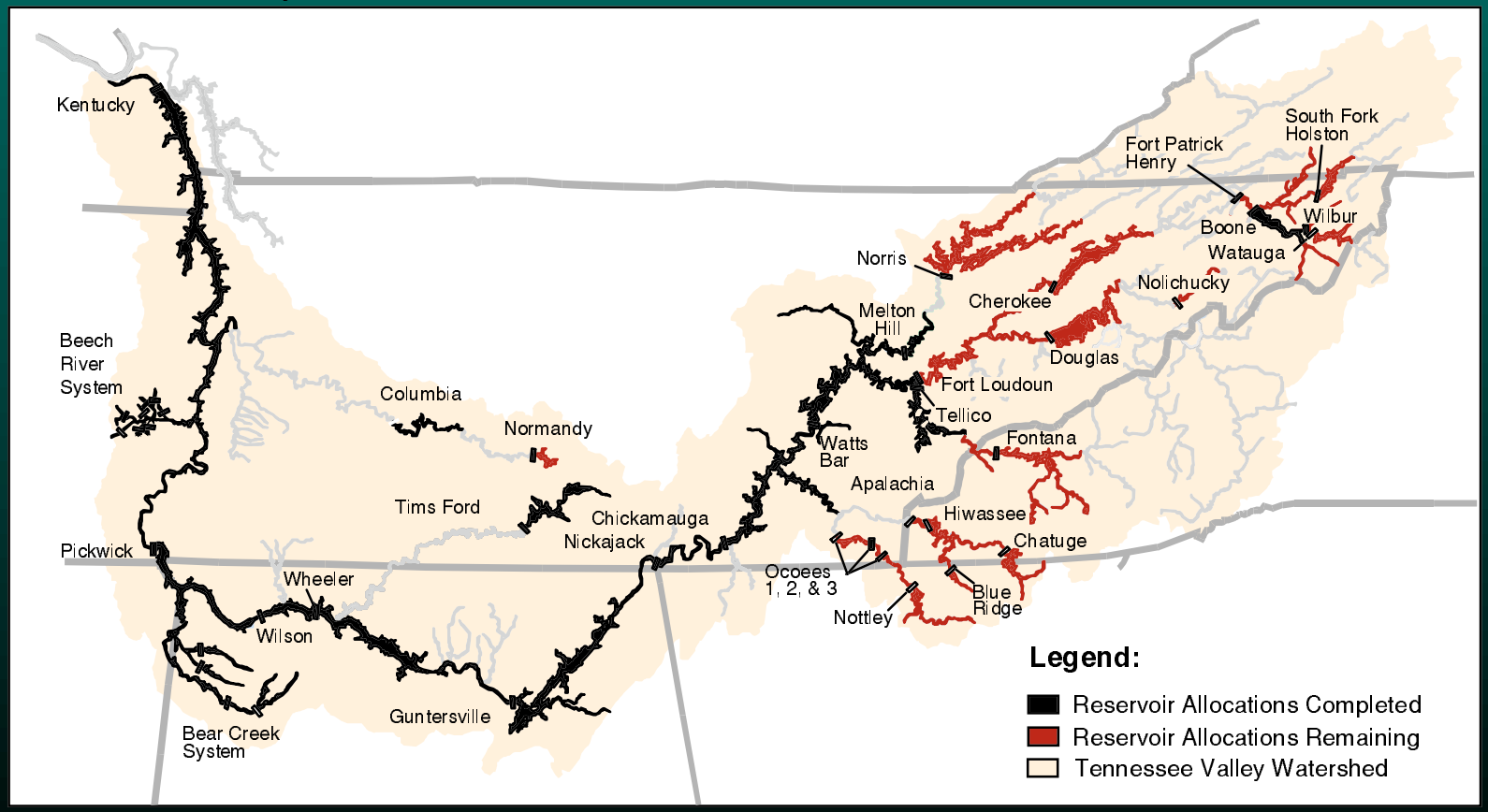
- Lands Planning
- Shoreline Management
- Condition of Hydrologic Units

Lands Planning

- Land Management Plans balance competing and conflicting resource use goals
- Plans are developed by considering land capability and its suitability to support stakeholder desires
- Plans provide for land applications that support multiple objectives of public land use

Land Allocation Status

- Allocation Plans are completed for 89% of TVA's lands, including:
  - Power plant sites,
  - 7 mainstream reservoirs
  - 6 tributary reservoirs



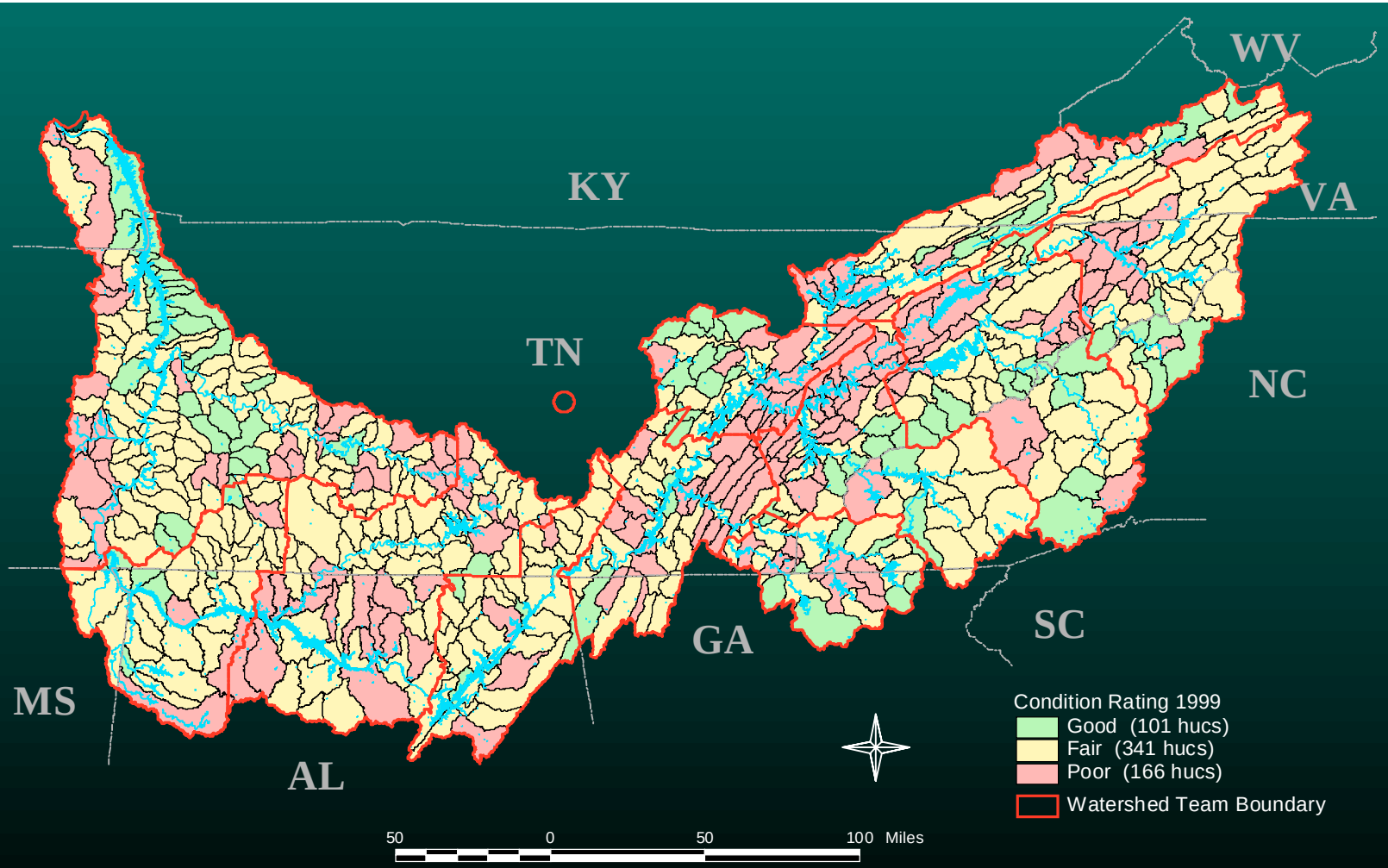
Shoreline Management

- Shoreline Management activities enhance flood damage reduction, navigation, and power generation and protect riparian resources
- Shoreline Management activities review and approve waterfront development which is influenced by land use allocations and ownership
- Balance conservation & development for access and protection of riparian zones to improve or maintain water quality

Hydrologic Unit Condition Assessment

- What is a hydrologic unit
- Parameters evaluated to define condition
- Use of condition assessment information

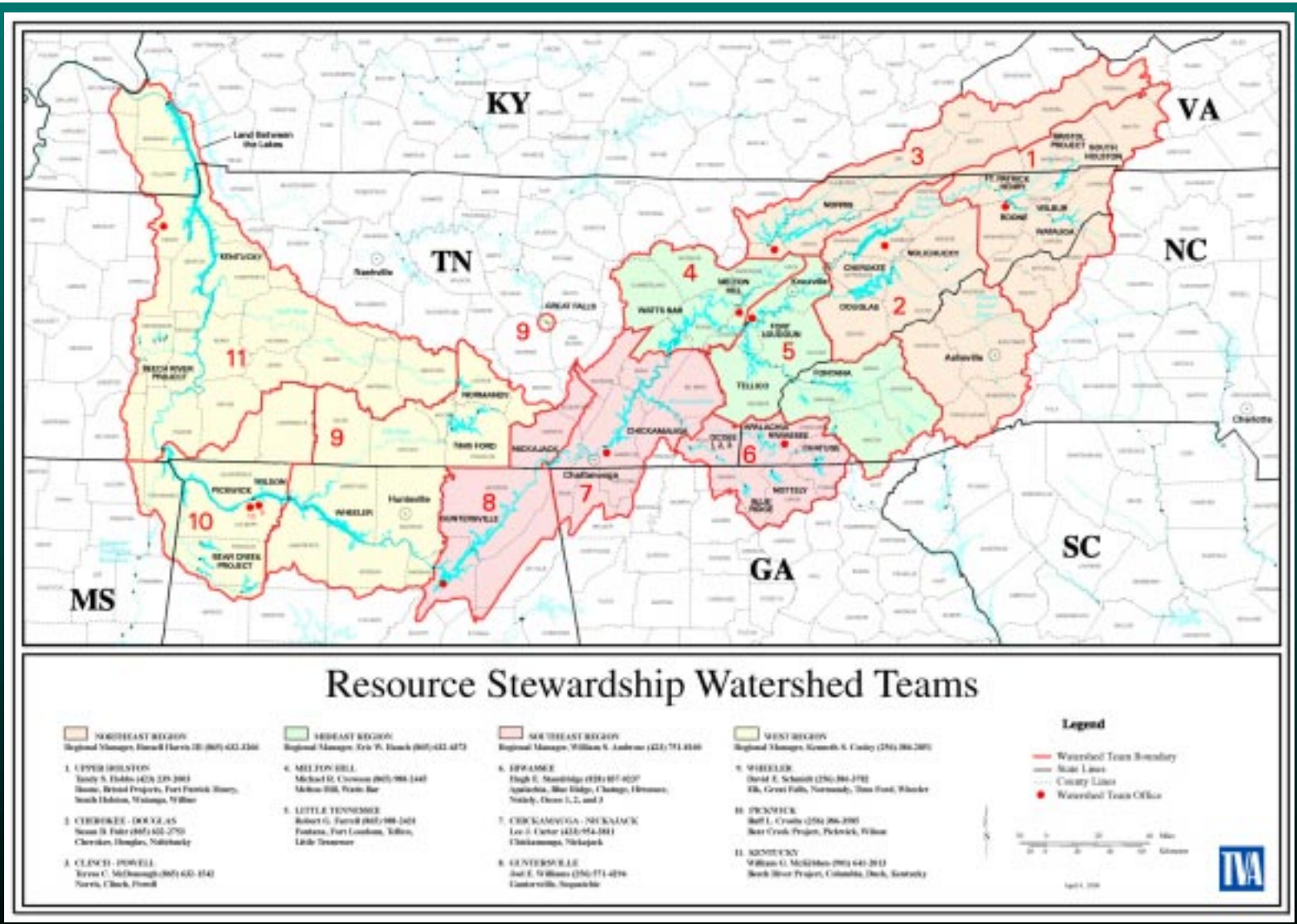
Tennessee Valley Watershed Condition Rating -- 1999



Implementing Watershed Improvements

- Watershed Teams
- Reservoir Shoreline Condition
- Public Benefits Provided
- Water Resource Condition

Watershed Teams



Reservoir Shoreline Condition

Goals:
- Coverage & quality of natural land cover
- Extent of stable (noneroding) shoreline
- Lack of trash and litter
- Protect sensitive resources and features
- Development compatible with resources

Public Benefits Provided

Goals:
- Habitat & Sensitive areas protected
- Land allocations reflect stakeholder values
- Recreation opportunities meet public needs

Water Resource Condition

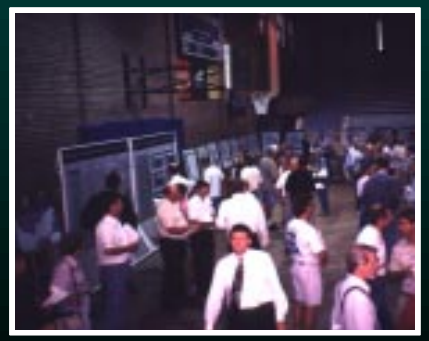
Goals:
- Quality of water resources
- Effective coalitions for long-term sustainability of improved conditions

Critical Issues & Challenges

- Balancing Growth and Conservation
- TVA Unity of Purpose
- Regional Stakeholders
- Challenges

Challenges for the Tennessee Valley

- Increased population impacts; competition for resources
- Balancing the demands on the river system
- Public participation in decisions relative to the use of public resources
- Retaining the integrated river system benefits for entire region



River Operations

Presentation

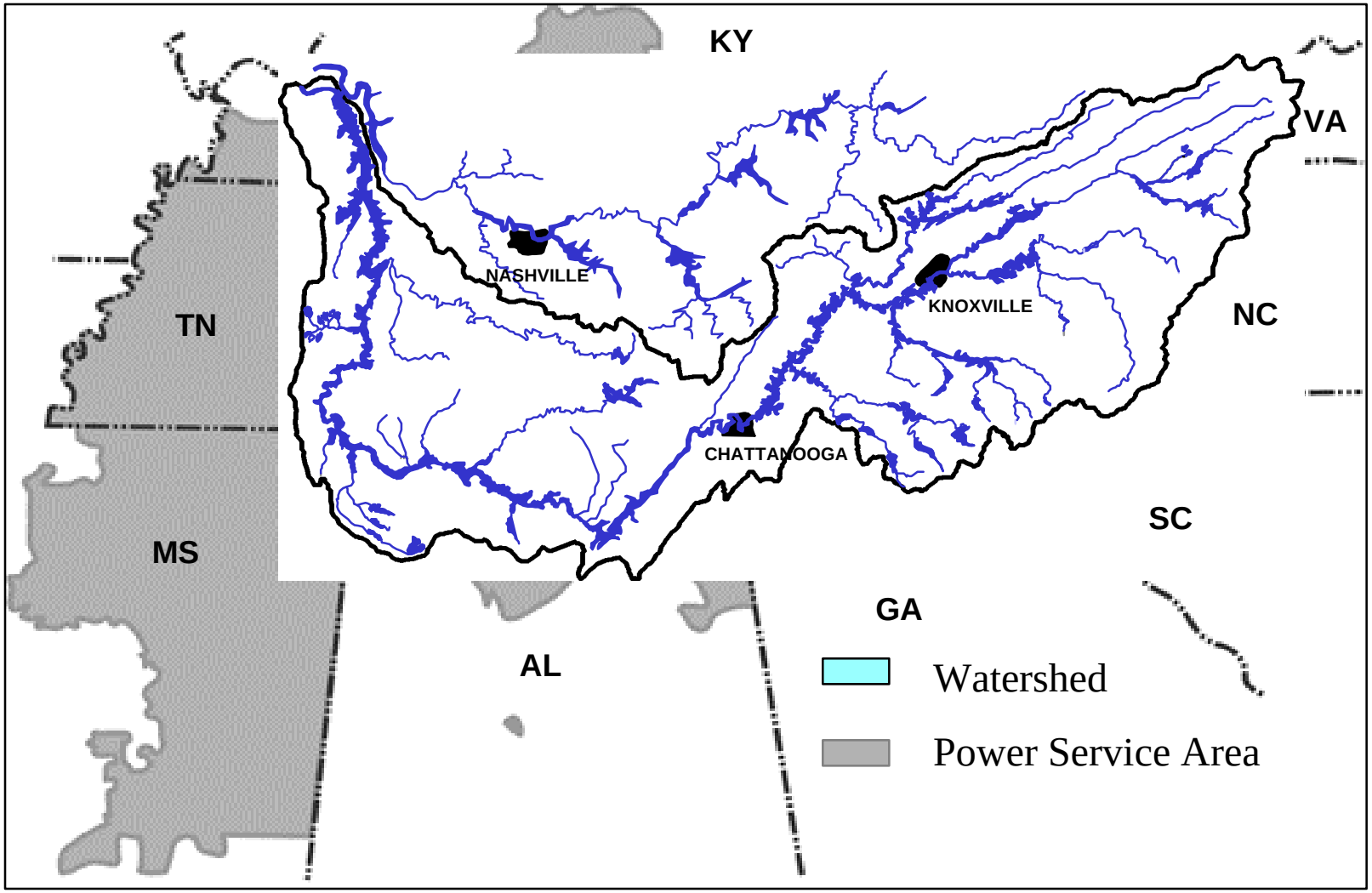
to

Region Resource Stewardship Council

Janet C. Herrin

Vice-President, River Operations

TVA Region


KY
VA
NC
TN
MS
AL
GA
SC
NASHVILLE
KNOXVILLE
CHATTANOOGA
Watershed
Power Service Area

Project Types (REPLACE)

TVA is Responsible for Operation and Maintenance of 54 Dams

Tributary - Multipurpose
Hiwassee

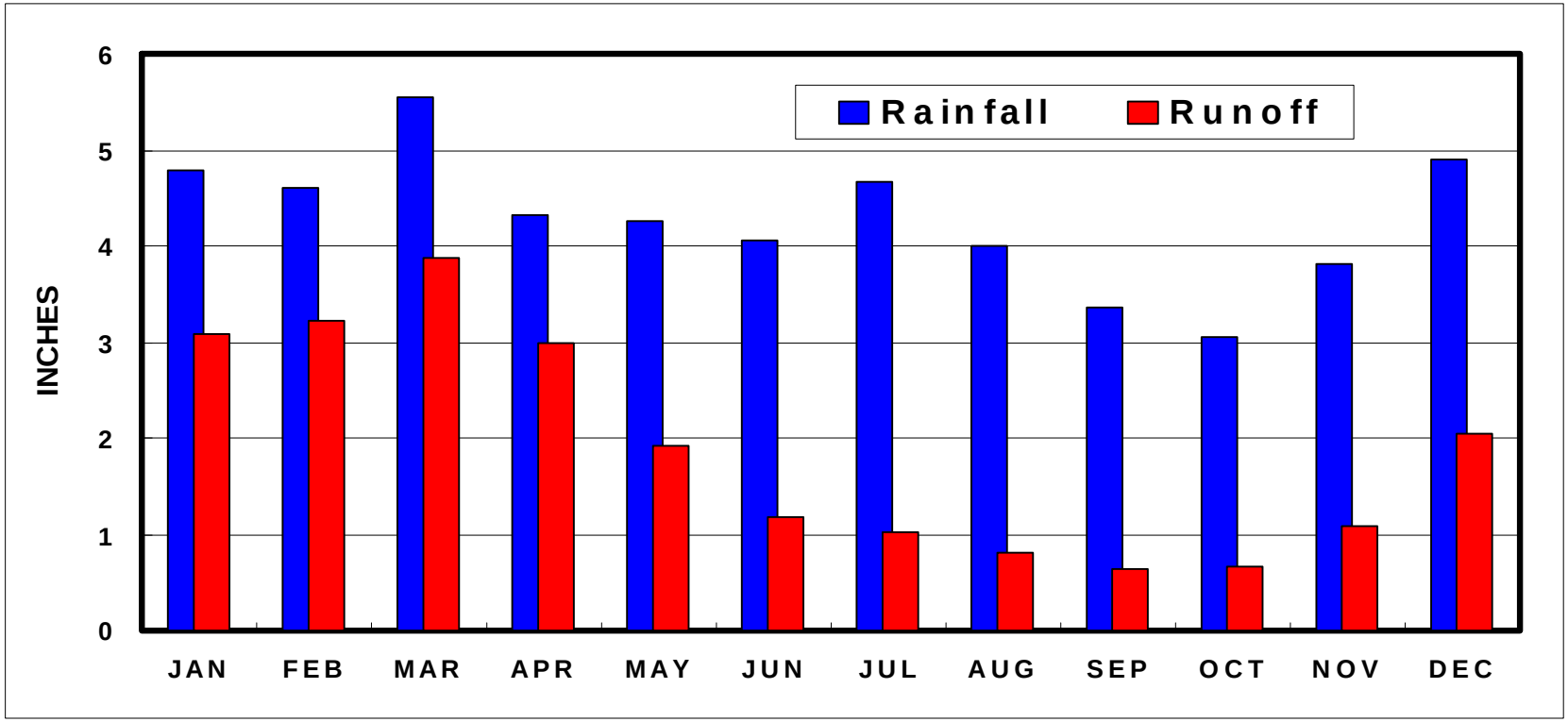
Main River - Multipurpose
Guntersville

Tributary - Run-of-River Power
Apalachia

Tributary - Nonpower
Little Bear Creek

Hydrology of the TVA Region (RELACE)

Average annual rainfall above Chattanooga is about 51 inches.
Average annual runoff above Chattanooga is about 22 inches.

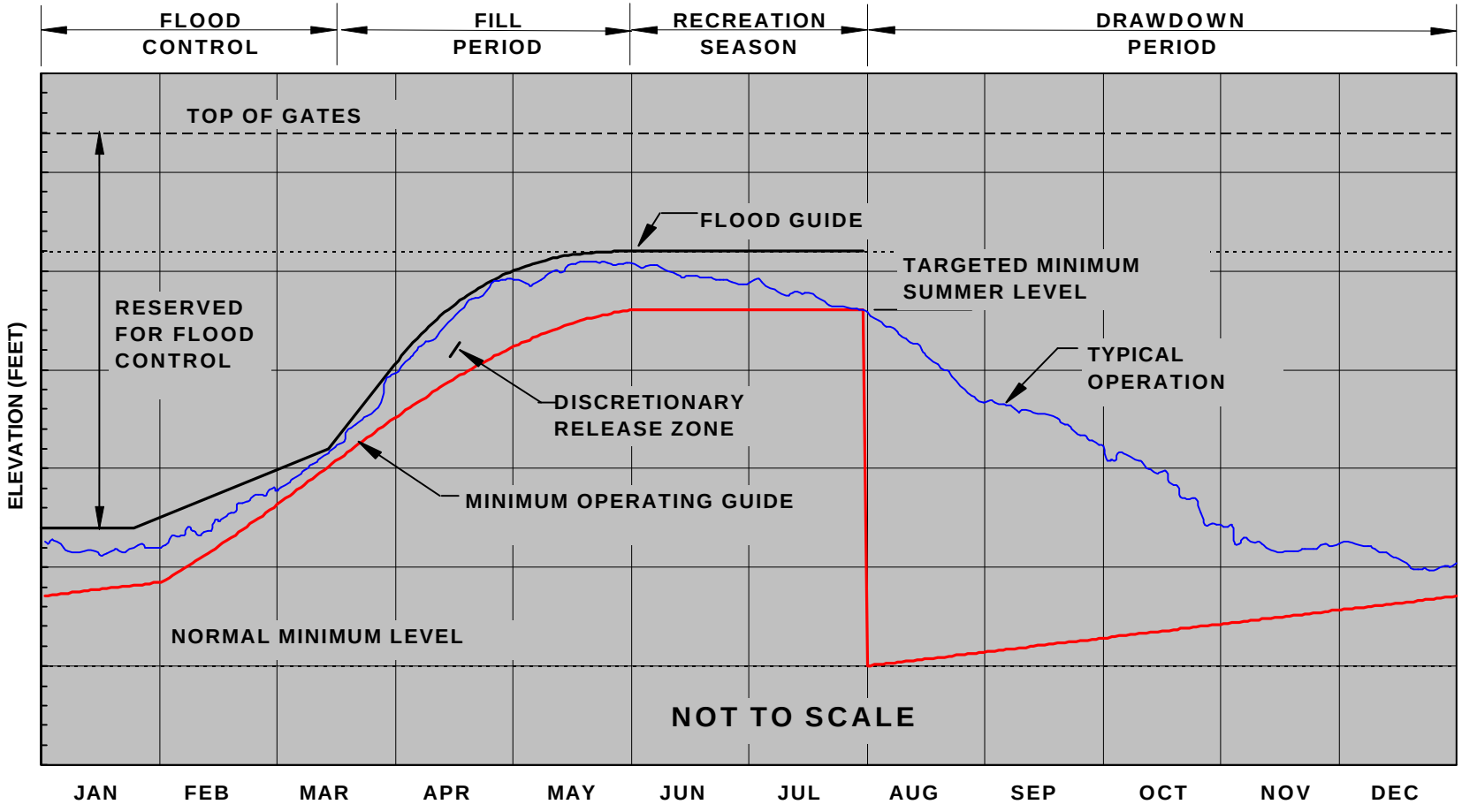


Benefits

- **Navigation**
- **Flood control**
- **Hydro power**
- **Water Quality/River Health**
- **Recreation**
- **Water Supply**

Operating Objectives (REPLACE)

Typical Tributary Operating Guide reflects seasonal lake level operating ranges.



Navigation

What TVA provides: Infrastructure (locks) and maintain 11 foot channel for 800 miles of river

Benefits include:

- Economic Growth for the Region
- $75M in reducted rail rates
- $450M in Shipper Savings
- 52 million tons moved on the River annually
- Access to the inland waterway system (Ohio, Mississippi, and beyond)
- Secondary channel marking for recreational boating

Flood Damage Reduction

Flood Damage Reduction Efforts

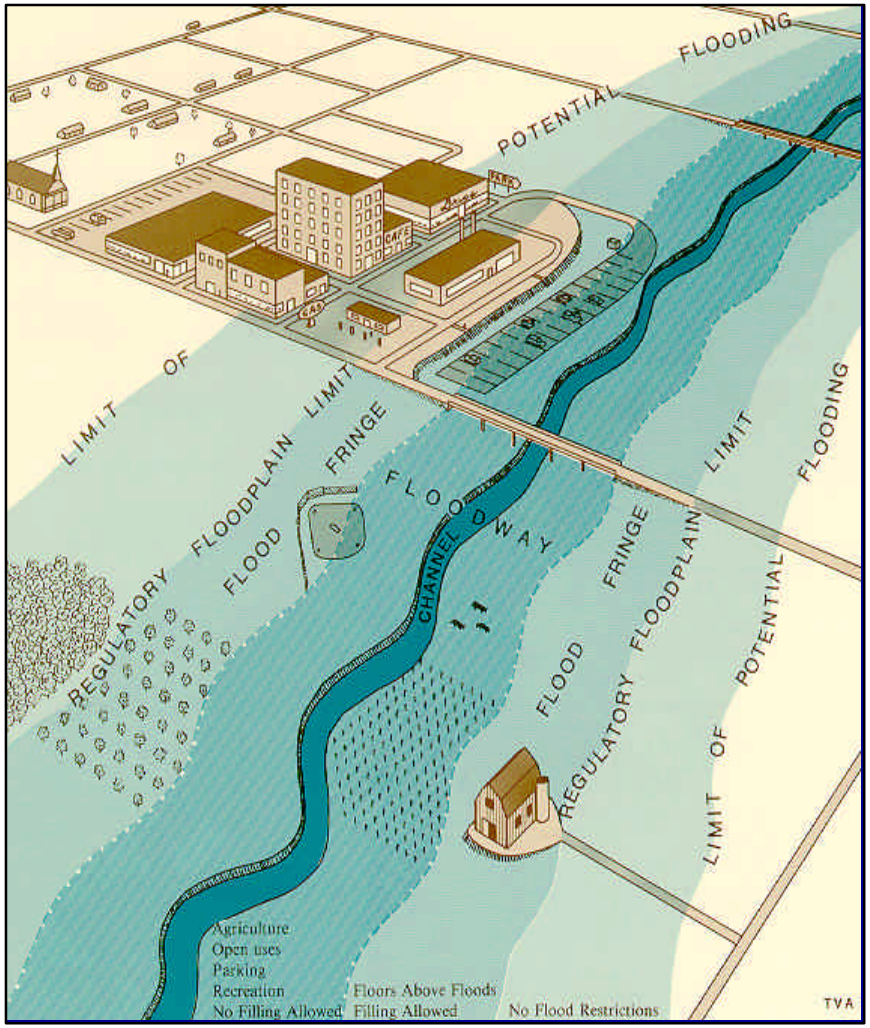
The TVA Act included the following flood damage reduction measures:

- **To keep water away from people:**

  Structural Approach

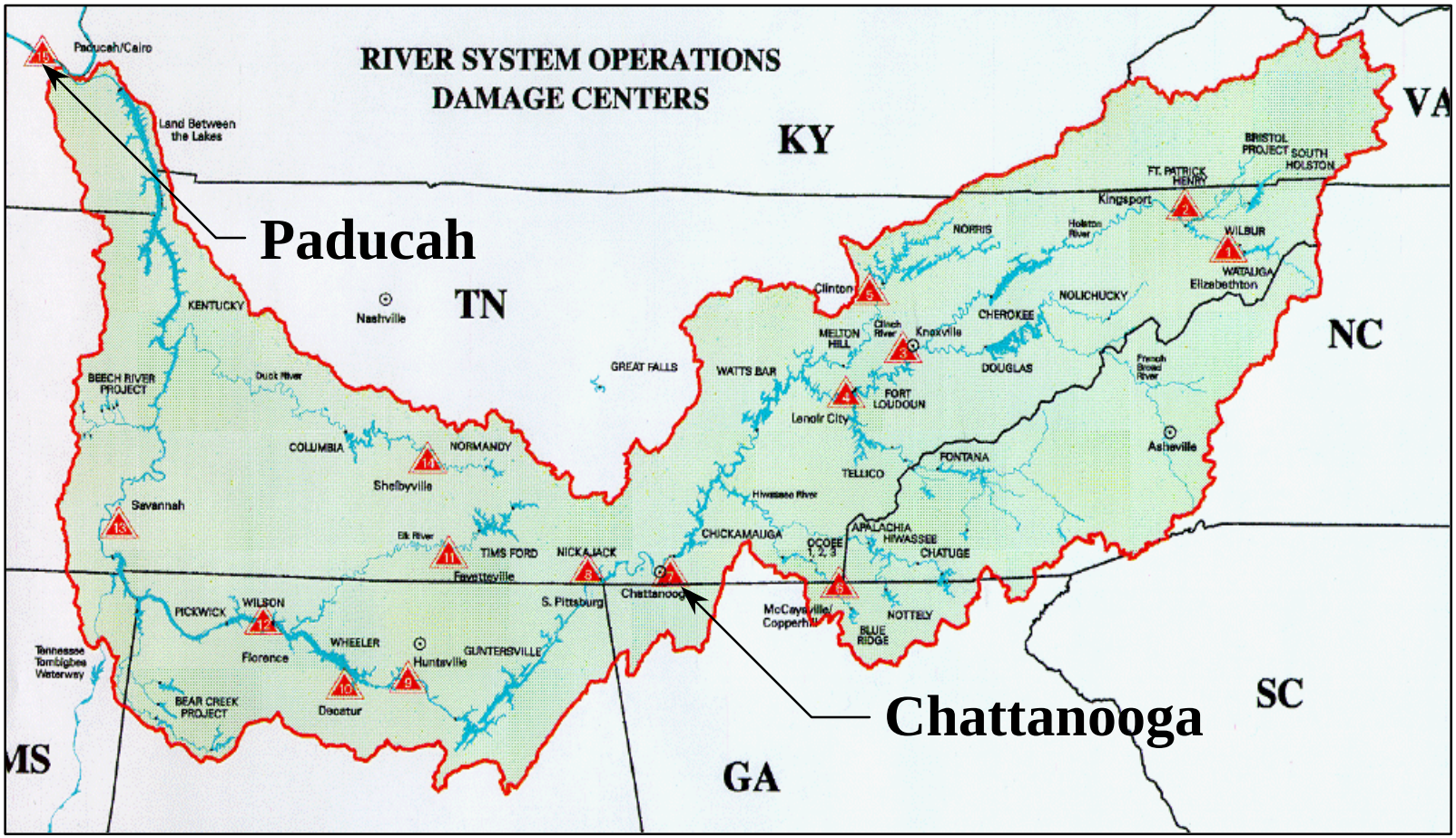
- **To keep people away from water:**

  Floodplain Management

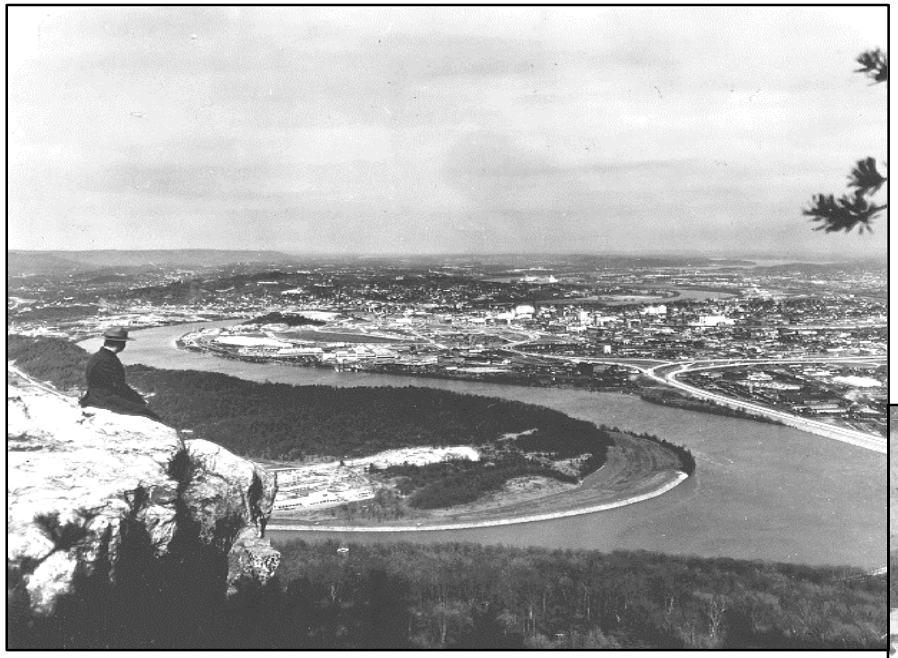


Flood Damage Centers

Flood storage is allocated for 15 primary damage centers, including Chattanooga, Tennessee and Paducah, Kentucky.



Flood Damage Reduction



Chattanooga Today

Same area during 1867 flood

Flood Damage Reduction Objectives

These 5 Objectives are considered to be most important...

- **TVA Act priority - navigation, *flood control*, hydro power.**
- **Maintain flood control allocation.**
- **Store water during flood to reduce crest.**
- **Issue flood forecasts for regulated streams.**
- **Release water at nonflood rate after crest.**

Flood Damage Reduction

- ***Annual flood damages averted are $173M***

- ***TVA cannot prevent all flood damages***

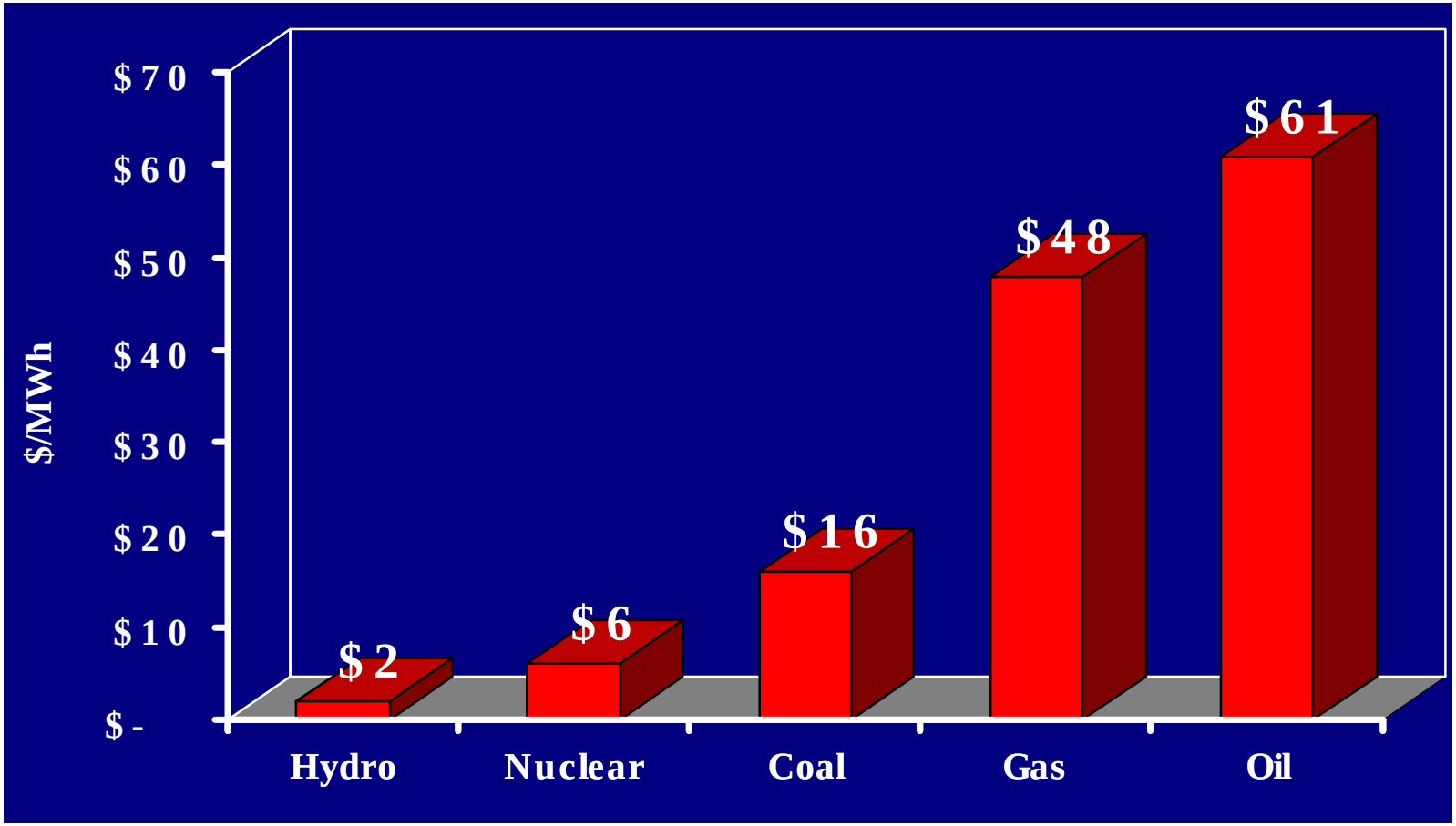
- ***In addition to the primary damage centers, all downstream riverine reaches receive some flood reduction benefits***

- ***Downstream floodplain zoning is based on historic operation of TVA projects***

- ***Changes in operation policy of TVA reservoirs have the potential to change downstream flood risk***

Hydropower Generation (REPLACE)

Hydro power has lowest incremental cost in the TVA power system



TVA provides reservoir pool levels and flows to support water supply.

Benefits:

- Industry:
  - process
  - cooling water
- Municipal water supply (4M people, 125 Counties)
- Key to future economic growth

Recreation

TVA provides summer pool levels, flow releases and releases for whitewater rafting.

Benefits:

- ***Quality of Life***
- ***Boost to local economies***
- ***Boating***
- ***Swimming***
- ***Fishing***
- ***Whitewater rafting***

TVA provides: minimum flows, aeration, monitoring and reservoir levels to improve water quality and support River Health

- Stabilized reservoir levels improve spawning success.
- Minimum flows improve fish habitat and help assimilate waste.
- Aeration improves dissolved oxygen in tailwaters.
- Long term environmental health monitoring to improve operations.