

**MINUTES
OF
REGIONAL RESOURCE STEWARDSHIP COUNCIL
MEETING**

October 25-26, 2001
Lake Barkley, Kentucky

Present

1. Mr. Lee Baker
2. Mr. Jimmy Barnett
3. Senator Roger Bedford, Jr.
4. Mr. Austin Carroll
5. Mr. Phil Comer
6. Mayor Thomas Griffith
7. Ms. Julie Hardin
8. Dr. Kathryn J. Jackson (DFO)
9. Mr. Al Mann
10. Ms. Miles Mennell
11. Mr. Bruce Shupp (Council Chair)
12. Dr. Stephen A. Smith
13. Dr. Paul F. Teague
14. Mr. Greer Tidwell, Jr.
15. Mr. Dave Wahus (Council Consultant)

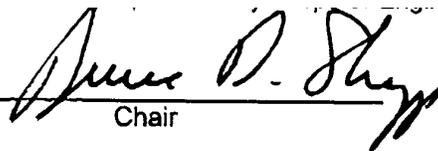
Absent

16. Ms. Ann Coulter
17. Mr. Karl Dudley
18. Mr. Bill Forsyth
19. Mr. Herman Morris, Jr.
20. Mr. W. C. Nelson
21. Ms. Elaine Patterson
22. Mr. Jim Sutphin

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Approved by


Chair

1 REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

2 OCTOBER 25, 2001

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8 3500 STATE PARK ROAD

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15 REPORTED BY:

16 KIMBERLY J. NIXON, RPR

17 NATIONAL REPORTING AGENCY

18 1255 MARKET STREET

19 CHATTANOOGA, TENNESSEE 37402

20 WWW.NATIONALREPORTING.COM

21 423.267.8059

22 800.261.8059

23 423.266.4447 (FAX)

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1 REGIONAL RESOURCE STEWARDSHIP COUNCIL

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3 MR. BRUCE SHUPP (COUNCIL CHAIR)

4 DAVE WAHUS (FACILITATOR)

5 SENATOR ROGER BEDFORD, JR.

6 MR. W. C. NELSON

7 MR. AL MANN

8 MAYOR THOMAS GRIFFITH

9 MR. BILL FORSYTH

10 MR. HERMAN MORRIS, JR.

11 MR. JIM SUTPHIN

12 MS. ELAINE PATTERSON

13 MR. LEE BAKER

14 MR. JIMMY BARNETT

15 MR. AUSTIN CARROLL

16 MR. KARL DUDLEY

17 MR. PHIL COMER

18 MS. ANN COULTER

19 MS. JULIE HARDIN

20 MS. MILES MENNELL

21 MR. GREER TIDWELL

22 DR. STEPHEN A. SMITH

23 DR. PAUL F. TEAGUE

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TENNESSEE VALLEY AUTHORITY REPRESENTATIVE

KATE JACKSON, Ph.D
EXECUTIVE VICE PRESIDENT
TENNESSEE VALLEY AUTHORITY
DESIGNATED FEDERAL OFFICE
400 WEST SUMMIT HILL DRIVE, WT11A-K
KNOXVILLE, TENNESSEE 37902

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

2 MR. BRUCE SHUPP: Good afternoon.

3 Before we get started with our discussions, we have
4 got new microphones, as everybody can see. And you
5 should be alerted to the fact that these microphones
6 are live at all times unless you push that little
7 button where it says push, then your light goes out
8 and you can mute it, but if you don't do that it
9 will pick you up no matter how well you turn it or
10 no matter what you do, so be very careful.

11 Okay. Welcome everybody to this
12 beautiful facility that Austin Carroll has stock in.
13 Everybody thinks it's a state park, Austin really
14 owns this. It's good to be here.

15 MR. AUSTIN CARROLL: The truth of the
16 matter is, the state owns me.

17 MR. BRUCE SHUPP: We have a busy
18 agenda, a very aggressive agenda, as usual, and Dave
19 Wahus, our facilitator, will go over that with you.

20 Dave?

21 MR. DAVE WAHUS: I have one change
22 that I would like you to please note on your agenda
23 at 1:30 this afternoon. It says 1:30 to 3:00 p.m.
24 Director Harris will provide feedback from TVA on
25 the Council's second set of recommendations, please

1 change that from 1:30 to 2:30. Director Harris
2 indicated she thought she could give you that
3 feedback in an hour. Then pencil in from 2:30 to
4 3:00 Director Harris will lead a discussion on
5 equatability -- the issue of equatability as it
6 relates to the aquatic plant control program and the
7 recommendations that were provided.

8 I have no other changes at this time
9 on the agenda, unless somebody else knows of
10 something that needs to be changed.

11 DIRECTOR SKILA HARRIS: I do have a
12 question about the agenda.

13 MR. DAVE WAHUS: Okay.

14 DIRECTOR SKILA HARRIS: I am supposed
15 to do what from 2:30 to 3:00?

16 MR. DAVE WAHUS: We're going to have
17 a discussion on the equatability issue as it relates
18 to the water quality and --

19 DIRECTOR SKILA HARRIS: And I'm
20 leading that?

21 MR. BRUCE SHUPP: We will help you do
22 that.

23 DIRECTOR SKILA HARRIS: Well, in the
24 future I would like a little bit more notice.

25 MR. DAVE WAHUS: Okay.

1 MR. BRUCE SHUPP: Okay. We're
2 starting out with Director Harris, again, on the
3 feedback from TVA's recommendations -- Council's
4 recommendation to TVA.

5 DIRECTOR SKILA HARRIS: First of all,
6 I would like an indication of how many of you-all
7 have actually seen the formal response that we have
8 provided back. I apologize for that. We do -- do
9 we have copies here?

10 MR. BRUCE SHUPP: Yeah.

11 DIRECTOR SKILA HARRIS: Okay. One of
12 the -- one of the things that I want to make sure --
13 okay, they're on the table in front of you, but
14 obviously you haven't had an opportunity to look at
15 them yet.

16 What I would like to -- to hear back
17 from you at some point is to make sure that what was
18 discussed when I last met with you is appropriately
19 your impressions of what the discussion was are
20 accurately reflected in our -- in the formal
21 response.

22 We did everything possible to hold
23 true to that to that -- to that -- the spirit of
24 what we discussed at that point. So I definitely
25 want to make sure that in the actual crafting of

1 that response that we're all on the same page.

2 Now, I'm not asking whether you agree
3 with it, I'm just saying do you think it's an
4 accurate representation of what I said, meaning
5 we're not going to discuss whether there's
6 disagreement, just whether it's accurate.

7 One of the things that has always
8 been at the heart of this -- this Council's
9 thinking, I believe, is whether or not what you-all
10 are doing is really making a difference. I want you
11 to know that even since we last met in August that
12 your recommendations have not only made a difference
13 in TVA's thinking but also what we're doing, and I
14 think that that is the most powerful statement I can
15 make about the importance of what you're doing. We
16 are changing and we're -- hopefully we're
17 demonstrating the fact that we're listening to you
18 and that you're making a difference.

19 Julie Hardin and I had a discussion
20 last night about what -- what difference would it
21 have made if this kind of committee had been in
22 place at the beginning of the planning for Tellico
23 Dam and if we had -- would have ended up in the
24 Supreme Court if we had this kind of open dialogue,
25 you know, we will never know the answer to that, but

1 one of the things that I think is important is that
2 we do some of the challenges.

3 And Julie, as you-all may know, was
4 on the -- was not in favor of TVA's decisions in
5 that process, and I think that, you know, we can
6 think about those kind of hypothetical situations
7 and we can draw from the conclusion that we're doing
8 better than we were then and that we're making
9 decisions in a different way than we were then. So
10 I think that that's -- it's certainly important to
11 me, and I hope that it's an indication of the
12 importance of what you're doing for us.

13 Now, it seemed like to me that it
14 really worked last time when we went over your
15 recommendations. There are a couple of topics that
16 I would like to discuss a little bit more in greater
17 detail. One of those has to do with general
18 measurements of water quality, but why don't I go on
19 and go through the first couple of these
20 recommendations and give you the response, and then
21 maybe we can talk a little bit about the water
22 quality issue.

23 You recommend that TVA continue its
24 water quality monitoring work and integrate it into
25 other water quality and natural resource monitoring

1 efforts. You want TVA's monitoring efforts to be
2 coordinated as much as possible with state watershed
3 assessment cycles. You want TVA's clean -- excuse
4 me, TVA's data managed in the National Water Quality
5 database, and you recommend that the results of
6 TVA's assessments be compared with state adopted
7 water quality standards and coordinated with state
8 and other federal agencies.

9 I think there was an indication that
10 you felt like that TVA's current level of efforts --
11 that our efforts are adequate and that you recommend
12 that these efforts certainly continue and that they
13 be coordinated with the capabilities and levels of
14 efforts of the other state and federal agencies. I
15 think I captured all the different points of that
16 recommendation.

17 One of the things that TVA does
18 recognize is that we do have very valuable water
19 quality data and that we have -- the databases that
20 we hold have value.

21 We want to coordinate our efforts
22 with other agencies and entities in such a way that
23 it eliminates the location of effort and to make
24 sure that we're all sharing the results. There are
25 other people who have data that might be helpful to

1 us, so we believe that there's some new efficiencies
2 to be gained there.

3 We commit to you that we will explore
4 ways to strengthen the links among the various water
5 databases, but we want to make -- do that in a way
6 that adds value to TVA. There are a lot of
7 opportunities and information technology to spend a
8 whole lot of money, and what we would like to do is
9 to commit you that we -- we do want to incorporate
10 and share databases, but there has to be some gain
11 in it for TVA.

12 If there is a way to cost effectively
13 integrate data management systems that can link to a
14 national water quality database or otherwise -- or
15 other avenues that we haven't identified yet improve
16 the data exchange, then we will certainly consider
17 those options.

18 And maybe at this point we may want
19 to stop and talk about more in detail what you were
20 thinking about in terms of the -- the data that we
21 collect and how you envision it being used.

22 MR. JIMMY BARNETT: Skila, in the
23 water quality subcommittee we had quite a discussion
24 about y'all's efforts, and we do not want to see
25 them diminished. We think it's important for the

1 data to be gathered, like the plan -- the integrated
2 plan that you're currently involved with. We think
3 the data is vastly important.

4 One of my particular bones of
5 contention is with some of the states not having the
6 same water quality standards as some of the other
7 states. Having lived in two states, and now more
8 familiar with the water quality issues than I have
9 ever been, and I have to thank you for that
10 education, I think, we would like to see Alabama and
11 Tennessee, for example, two of the prime states, be
12 more in common, and we have representatives on the
13 water quality subcommittee from both states. But
14 that's been my thing, why on one side of the state
15 line do you do this way and the other side of the
16 state line you do that way with different standards,
17 it's the same water.

18 So I guess just from a personal --
19 I'm not speaking for the committee at this point,
20 just for myself, I would like to see perhaps y'all
21 be a little proactive in encouraging the use of the
22 same standards as much as you can.

23 DIRECTOR SKILA HARRIS: Well,
24 obviously --

25 MR. JIMMY BARNETT: That's

1 encouraging, not demanding.

2 DIRECTOR SKILA HARRIS: Right. No.
3 No. No. Obviously it's a huge challenge to try to
4 get states to reconcile any of their standards, but
5 I think that the multi-regional role that TVA plays
6 does give us an opportunity to work in a very
7 collaborative way with state agencies to maybe
8 educate them about the benefits of different
9 standards that might be being used.

10 I think that in a measured way we
11 could -- we could play that role, but it's -- as you
12 well know, it's a little -- we are the federal
13 government and states -- sometimes that dynamic is a
14 little dicey, but I think that that is something
15 that we can do but we will have to be very judicious
16 about how we proceed in that area.

17 What -- can anybody comment on
18 exactly the database issue and what you were really
19 driving at in that area?

20 MR. JIMMY BARNETT: Speaking
21 generally, there's a lot of data out there and it's
22 in different forms and in different places. The
23 states have some databases and it's in different
24 shapes -- I guess you would say different shapes of
25 the way you go after it and also some of the

1 mechanisms by which you have to go after it probably
2 need to be updated.

3 The idea of a national database or at
4 least a regional database had great attraction for
5 us. If you have got some data that someone else
6 needs but they don't even know you have it, then
7 it's useless to them. So everyone on the same page
8 as far as the data is concerned would be of great
9 benefit in our opinion.

10 DIRECTOR SKILA HARRIS: Well, I think
11 both the challenge that you're facing -- that we're
12 all facing and your committee faced, I think part of
13 the resolution can be through this regional
14 monitoring alliance approach and I think that that's
15 certainly something that obviously we believe is a
16 viable approach, but also I think that that does
17 something on the monitoring side, but I think a
18 component of that can be some consolidation or at
19 least coordination of databases. So I think that
20 that's -- you know, we're -- we're encouraged that
21 that may be a beneficial approach on several
22 different fronts to have that.

23 One of the things that -- you-all are
24 far ahead of me in this particular area because I
25 had to get some tutorials because I wasn't very

1 familiar with some of the issues with regard to
2 water quality standards or databases or requirements
3 for the monitoring. I mean, this is a whole new
4 world out there for me.

5 And one of the things that --
6 evidently EPA, and I'm sure you-all talked about
7 this, is undergoing a change in its data collection
8 in the system that it uses. And at one point, my
9 understanding is, that TVA stopped interfacing with
10 the EPA database in part because it was not
11 functioning properly. It was --

12 MR. BRUCE SHUPP: I think John Shipp
13 can comment on that. The states were concerned that
14 that national database be used by everybody. So,
15 John, do you want to talk about that?

16 MR. JOHN SHIPP: That's correct. TVA
17 once put all of our water quality data on the STORET
18 database, and we made the decision several years ago
19 to not do that for financial reasons. And as a
20 result of this recommendation, we're going to take a
21 relook at that.

22 And we think surely in this -- in
23 this computer age that there ought to be a way to
24 link the database that we do use and that meets our
25 needs with the EPA database. So that's what we're

1 going to look at.

2 And as Skila said, we wanted to try
3 to do that in a way that didn't create a lot of
4 additional costs and a lot of additional information
5 systems but would provide a link so that we could
6 come up with a system that met our needs and also
7 made those data available and the fact that they
8 existed known to people.

9 That's the issue now. The data that
10 we have is available to whomever would like to have
11 it, but the knowledge that it exists is not there
12 because it's not in that national database, the
13 STORET database. And I think it's been mentioned
14 also that that EPA run national database is
15 undergoing some rework now at the national level.

16 MR. BRUCE SHUPP: Thanks, John.
17 That's essentially what it is, just to use that
18 database.

19 DIRECTOR SKILA HARRIS: But is
20 that -- is what I have said to you responsive to the
21 recommendation though?

22 Because, you know, there are some
23 challenges here that are -- that unfortunately may
24 extend beyond our control in terms of -- of how EPA
25 is progressing on its -- on its own development of

1 this new approach.

2 SENATOR ROGER BEDFORD: Skila?

3 DIRECTOR SKILA HARRIS: Yeah.

4 SENATOR ROGER BEDFORD: I think to go
5 back to the first point, something that TVA might
6 consider, because you're in a unique position to do
7 that, is to encourage the appropriate state agencies
8 within the TVA basin to come together perhaps at a
9 conference to look at where the similarities are,
10 where the differences are, and maybe develop a road
11 map to go into what the subcommittee has
12 recommended; that is, that they try to have some
13 uniformity of water standards.

14 That way it's still a state's
15 initiative towards that, so you don't get into the
16 federal/state tiff, but you accomplish the same goal
17 by getting them to focus on, where are the
18 commonalities, where are the differences, and that
19 it is, as Jimmy said, the same water, whether it's
20 on the Alabama side or the Tennessee side.

21 MR. BRUCE SHUPP: And I think the
22 states, while they don't have the same standards,
23 John, is it correct to say they're -- the states are
24 using the STORET database?

25 MR. JOHN SHIPP: I do not know --

1 DIRECTOR SKILA HARRIS: John, come up
2 here.

3 MR. JOHN SHIPP: I do not know
4 whether all the states in the Tennessee Valley use
5 STORET, but I do know that Tennessee and Alabama do,
6 and they were the two on the subcommittee who were
7 most vocal on this issue, as well Tom Welborn from
8 EPA.

9 MR. BRUCE SHUPP: So the -- out of
10 the four entities, TVA, EPA, Alabama, Tennessee, the
11 only one that wasn't using it was TVA and that's why
12 they were calling for standardization?

13 MR. JOHN SHIPP: That's correct. And
14 that has to do with monitoring and monitoring data.
15 The issue of standards is a little bit different
16 issue.

17 DIRECTOR SKILA HARRIS: See, that's
18 where it really -- we're dealing with two sides of a
19 problem here.

20 DR. PAUL TEAGUE: Skila, back to what
21 Roger was talking about, we supposedly represent TVA
22 to some extent, this Council, but on this Council
23 you have got members who have got some pretty strong
24 contacts with the states. I think we could be a
25 media to coordinate. I mean, you know, Roger is

1 from Alabama. Al represents that Governor of
2 Kentucky. And you have got a few people on this
3 board that's got a few contacts in Nashville.

4 So if that is a problem -- you
5 said -- I think you described it as dicey, we might
6 take some of the edges off of the dice and encourage
7 you, TVA, Alabama, Kentucky, Georgia, and Tennessee
8 to get together and we could be an advocate on both
9 sides, and this, I think, gives you an opportunity
10 to make this a unanimous type thing.

11 And I think the way to do it, as
12 Roger said, is call a conference and let you, Roger,
13 Al, some people from Tennessee be there, and arm
14 twist our respective states to come to a compromise.
15 I think this is an excellent idea and excellent way
16 to force, if you will, cooperation.

17 DIRECTOR SKILA HARRIS: I agree that
18 that's a good approach. Standard setting in the
19 states is a very highly political undertaking. And
20 so, I mean, we might suggest and we might say, here
21 is what we -- what works for us and for whatever
22 other states.

23 Standard setting is -- I mean, that
24 creates -- that includes a lot of dynamics that go
25 beyond -- I'm just trying to be realistic about what

1 we might be able to do, but I don't -- I have no
2 problem with convening some forum for the discussion
3 of that, but from that forum to the change in
4 standards is a long distance.

5 DR. PAUL TEAGUE: Well, you use the
6 word political, and I agree with you, but most of
7 the people on this committee have had some dealings
8 with politics in our perspective states, and this
9 would be a good opportunity to get a compromise. I
10 mean, sure, TVA would have to compromise some, but
11 the states to get a concise picture on the problem.

12 MR. GREER TIDWELL: Skila, if -- go
13 ahead, Roger.

14 SENATOR ROGER BEDFORD: I'll be
15 brief, Greer. Skila, I think -- to follow up on
16 what Paul's saying, I don't think we expect one
17 meeting to solve it because it is a very diverse
18 issue and each state looks at it a little
19 differently, but if we take a common goal of trying
20 to develop minimum standards at least for something
21 that can be built on in the future, I mean, I see it
22 as a win/win situation, not a conflict situation.

23 MR. GREER TIDWELL: The point I was
24 going to make sure and make is the distinction
25 between helping drive the data versus driving the

1 standard setting. And I think TVA's role as a
2 regulated entity as opposed to a regulating entity
3 puts it in a unique position, particularly in Region
4 IV states, to encourage the use of common data
5 systems and sort of put on the pedestal the need for
6 good science based decisions in terms of water
7 quality and water quantity.

8 And really, I'm not sure it's the
9 proper role, and I sense that's where you're getting
10 at, Skila, to get into the debate on setting the
11 standards, which is a state EPA situation that, in
12 fact, TVA ultimately has to live with in terms of
13 water quality standards, but pushing toward uniform
14 databases and pushing towards good database
15 decision-making is a perfectly appropriate role that
16 TVA has led the country in at times, but setting
17 those standards is another -- it's a whole other
18 ball of -- it's just a tough thing to get into. I
19 have been there.

20 DIRECTOR SKILA HARRIS: Don't say the
21 word.

22 MR. GREER TIDWELL: Yeah, it's a
23 tough thing to get into. I've been there.

24 MR. BRUCE SHUPP: Jimmy?

25 MR. JIMMY BARNETT: One more comment.

1 If you-all have troubles working with Tennessee,
2 let's say, and then a different standard in Alabama,
3 trying to meet both standards at the same time, you
4 can reiterate that or talk about it at that
5 particular conference and say, it would be nice if
6 it would be the same. Now, I don't think any of us
7 expected TVA to set the standards.

8 DIRECTOR SKILA HARRIS: Well, we
9 can't, but as long as you-all appreciate -- and I'm
10 not being -- I may sound negative, but what I'm
11 trying to do is -- is put a realistic bound on what
12 our role can be.

13 I think it's appropriate for us to be
14 a convenor. I think it's appropriate for us to talk
15 about our experience. I think it's appropriate for
16 us to talk about databases. And then I think we can
17 craft such a meeting, and with your participation,
18 in such a way that people can draw their own
19 conclusions about their standards. You-all may
20 coach them on that, but that's probably not the role
21 we can play.

22 The next recommendation you had is
23 that the watershed team program should be continued
24 and strengthened by integrating its activities with
25 TVA's sustainable economic development initiative

1 and using its experience to highlight economic
2 trends that may adversely affect water quality.

3 You also recommend that the program
4 be integrated with the states' water quality
5 planning processes using the integration to build on
6 others' expertise, experience, and efforts.

7 TVA accepts this recommendation.
8 TVA's watershed teams convene and facilitate
9 community actions that examine information about
10 resource conditions and economic development trends.
11 This work is part of the watershed team's annual
12 work plans, and they are measured on their success
13 by helping communities to produce water quality that
14 supports a variety of sustained uses. TVA interacts
15 with all seven valley states to ensure that TVA's
16 actions are complimentary to the state's five-year
17 watershed planning cycles.

18 Recently we have begun working with
19 the state on programs in Blount and Knox County.
20 The program is called NEMO, and that means Non-Point
21 Source Education for Municipal Officials.

22 Are you-all familiar with this, NEMO?

23 It sounds like an action toy to me,
24 but adopted from the State of Connecticut, this
25 program prepares planners, public works managers,

1 opinion leaders, and elected officials to solve
2 water quality problems that are barriers to
3 sustainable economic development. This is a
4 cooperatively funded program using EPA's 319 grant
5 funds and matching contributions by TVA and
6 participating cities and counties. So this is a
7 pilot that's underway.

8 Do you have a sense of how long this
9 is going to run?

10 DR. KATE JACKSON: I don't. I think
11 it depends on how it goes.

12 DIRECTOR SKILA HARRIS: So we're
13 looking to this to provide us with some experience
14 and some understanding to see whether it should be
15 adopted in other areas of the valley. So this is
16 something that -- what we're doing on this pilot, I
17 believe, is responsive to your recommendation, so we
18 do have this underway.

19 Any questions about that one?

20 MR. GREER TIDWELL: I missed where
21 you said that pilot is taking place.

22 DIRECTOR SKILA HARRIS: It's in
23 Blount and Knox counties.

24 MR. GREER TIDWELL: Okay.

25 DIRECTOR SKILA HARRIS: NEMO.

1 MR. DAVE WAHUS: The question that
2 Greer asked is he wasn't sure where it was going to
3 be taking place.

4 DIRECTOR SKILA HARRIS: Thank you.
5 Your next recommendation addresses TVA's policy on
6 reservoir releases -- releases improvement, RRI.
7 You recommend that TVA maintain the gains achieved
8 by the reservoir releases improvement program by
9 continuing to support the operation, maintenance,
10 and enhancement of the water quality improvements to
11 meet tail water commitments and designated uses.

12 We accept this recommendation and
13 we'll continue to operate and maintain RRI systems
14 as required to ensure tail water commitments and
15 designated uses are achieved.

16 Any questions about that one? That
17 was a yes.

18 Your next recommendation addresses
19 TVA's transmission line right-of-way maintenance
20 policies and practices. You recommend that TVA make
21 more effort to contact property owners whose land is
22 being cleared or recleared so that potential
23 problems may be worked out prior to clearing or
24 reclearing.

25 Our understanding is that you want

1 TVA to ensure that contractors follow appropriate
2 policies and have information about land to be
3 cleared or recleared that is adequate to prevent
4 violations of state and local and federal laws.

5 You recommend -- I think that what
6 you feel is that TVA should take greater
7 responsibility for ensuring that relationships with
8 property owners reflects TVA's intent to be
9 cooperative and responsive.

10 We accept this recommendation, and we
11 acknowledge that many property owners wish to be
12 notified before any clearing activities began. TVA
13 currently assigns personnel to monitor contractor
14 performance and survey sites for compliance.

15 In addition to this ongoing activity,
16 TVA will put contractors on notice of increased
17 performance and add language to right-of-way
18 reclearing contracts detailing our expectations for
19 contractor notification to property owners about
20 planned work activities.

21 New contracting procedures to enhance
22 contractor enforcement will include the use of
23 penalty and dismissal clauses which contractors must
24 review, accept, and sign before the contract is
25 finalized.

1 TVA will post -- also post the
2 information on its website to identify which
3 transmission lines are targeted for reclearing
4 maintenance. We acknowledge the need to continue
5 improving our relationships with property owners
6 while also working to maintain the reliability of
7 our transmission lines and to -- and continuing to
8 meet easement obligations.

9 Because so much of this work is done
10 by contractors, we felt like that the best avenue to
11 address this issue is through increased contract
12 monitoring as well as putting enforceable and --
13 enforceable requirements in the contracts and have
14 penalties if they aren't followed.

15 We have had some fairly good
16 experience as we are recrafting contracts with a lot
17 of different kinds of vendors and including this
18 kind of requirement for customer -- for the vendor
19 in this case would be the people clearing -- the
20 contractor clearing the right-of-way, that we
21 require them to meet our standards about how they
22 relate to our customers in this case, and so I think
23 that this will have some success.

24 I would like any response that
25 you-all have to this main focus of this cure that

1 we're proposing.

2 DR. PAUL TEAGUE: I would like to
3 compliment TVA on your response. First of all, I'm
4 on that committee and we were happy with your
5 basics, and I think you hit the nail on the head
6 when you said, put a little more pressure on them to
7 say, hey, you either produce or -- and fine --

8 DIRECTOR SKILA HARRIS: Dismissal, if
9 necessary.

10 DR. PAUL TEAGUE: I think you have an
11 excellent response to our request.

12 DIRECTOR SKILA HARRIS: Thank you.
13 Thank you very much.

14 You also recommend that whenever
15 possible TVA should create or participate in
16 innovative approaches and partnerships with other
17 units of government, private agencies or property
18 owners who have an interest in natural methods for
19 maintaining vegetative cover on transmission line
20 corridors for purposes of recreation and wildlife
21 conservation.

22 We accept this recommendation on a
23 pilot basis. What we are going to do is basically
24 look at innovative ways for right-of-way maintenance
25 methods. We're going to do this in partnership with

1 others. The pilot effort will be monitored and
2 increased if it proves to be cost-effective.

3 TVA will explore partnerships,
4 opportunities with local governments, state,
5 wildlife, and park management agencies, federal
6 agencies, such as the Department of Energy, and
7 conservation organizations. In addition, we will
8 continue seeking cost-effective ways to let
9 landowners or land managers know about native,
10 vegetative methods.

11 Response?

12 As you-all know, TVA has done a lot
13 of work in the research area about natural
14 vegetation, and we need to do a better job of
15 providing that information to people who would want
16 to use it, and so that is responsive.

17 Okay. When you talked about the
18 research, and I think I may have already covered it
19 in my earlier comment, but you recommend that TVA
20 institute a pilot project, you made that specific
21 recommendation, in the use of natural cover with the
22 goal of analyzing its long-term benefit for the
23 purpose of establishing reasonable goals in the
24 amount of acreage planted in sustainable cover, and
25 I think the pilot is how we're going to address that

1 particular recommendation also.

2 DR. PAUL TEAGUE: You know, TWRA and
3 its equivalent in Alabama and Georgia and Kentucky
4 would be a good way to institute this. In my own
5 personal, I have got about 5 miles of lines that
6 goes across my property, which I sow for deer, and
7 to work with somebody like TWRA and its equivalent
8 in Alabama and Kentucky would help out.

9 DIRECTOR SKILA HARRIS: Well, that's
10 one of the ways that we are proposing that we
11 respond on this pilot effort is to try to work with
12 them to come up with some options.

13 Kate, did I cover everything?

14 DR. KATE JACKSON: (Moves head up and
15 down.)

16 DIRECTOR SKILA HARRIS: Okay.

17 MR. GREER TIDWELL: Skila?

18 DIRECTOR SKILA HARRIS: Yes.

19 MR. GREER TIDWELL: One of the other
20 things, I think, came out of that was -- one of the
21 outcomes from the pilot we would like to see is some
22 assessment of what are appropriate goals to set for
23 the full right-of-way system, whether that comes out
24 in a number of acres per year or an indication that
25 after doing this for three or six or nine years it

1 doesn't work but pushing towards some review out of
2 what we learn from the pilot program of some goals.

3 DIRECTOR SKILA HARRIS: In terms of
4 goals, what would you envision as a goal?

5 MR. GREER TIDWELL: I'm not smart
6 enough to know about all of the acreage that runs
7 through TVA's right-of-ways and what this pilot
8 program will result in, but it could take the form
9 of an assessment of the acres that's out there, a
10 review of the types of land ownership that's out
11 there, and review of the results out of this pilot
12 program that says, look, TVA ought to be pushing for
13 3 percent per year converting from, you know,
14 cutting practices over to natural vegetation and
15 that will result in a savings of X dollars or a cost
16 of X dollars.

17 DIRECTOR SKILA HARRIS: When we -- in
18 our response what we're saying is one of the things
19 that we will be looking at as part of this is the
20 cost-effectiveness.

21 You know, this is often the case and
22 part of -- it depends on when you make investment.
23 If you make initial investment to change the nature
24 of the vegetation under your -- in your
25 right-of-ways, what then -- when do you start

1 reaping the benefit?

2 Part of the challenge here is even --
3 and maybe, Paul, you can comment on this. I mean,
4 part of the challenge we have is we still have to
5 have access, and so in my own mind I'm thinking,
6 okay, it may be okay if you plant some crop which is
7 low growing that we could drive through anyway, but
8 if you go to low growth shrubs and things of
9 another -- you know, a more substantial nature, then
10 do we then still have to continue to cut roads
11 through there so we can have access?

12 Those are the kinds of balance and
13 challenge that we're trying to figure out, and I
14 think you're right, I think we need -- we need to
15 know where -- where the balance is when the initial
16 increased investment up front saves us money in the
17 long run, given the fact that we still have to have
18 access. So that's what we're trying to accomplish
19 in that.

20 DR. PAUL TEAGUE: I agree. You've
21 got to -- it is a must. The bottom line is you have
22 to have access.

23 DIRECTOR SKILA HARRIS: That's right.

24 DR. PAUL TEAGUE: All other
25 questions, forget it. If it interferes with your

1 access, I agree with you 100 percent.

2 DIRECTOR SKILA HARRIS: So that's --
3 you know, but I think we're on the right track. I
4 think we're going to the same place that you're
5 talking about in terms of what we're trying to
6 figure out from the pilot.

7 MR. GREER TIDWELL: There's two kinds
8 of pilots that I'm familiar with in managing our
9 plants around the country. One is a pilot just to
10 say, hey, we can do it. Another is a more
11 aggressive approach, which is a pilot from which you
12 go ahead and do the analysis and say, hey, it's
13 better in these types of situations, and therefore,
14 we, as an entity, need to start doing it. We need
15 to get on a program to get it out there.

16 Maybe the pilot tells you it doesn't
17 make sense to do it anywhere, I don't know what the
18 result will be, but I want to make sure that we
19 don't lose that aspect of this recommendation, which
20 is to go ahead and do the analytical process of
21 figuring out what types of goals are appropriate
22 coming out of the pilot and what we learned about
23 it.

24 DR. KATE JACKSON: I think there are
25 two separate issues. They are connected. Excuse

1 me. One of them is the issue that we used to do a
2 lot of partnerships with landowners where we had
3 right-of-ways and we don't anymore. Some of that
4 is -- some of this is an opportunity for us to go
5 back and reexamine that policy, that's one piece.

6 The second piece is that there are a
7 lot of data that have been generated on the kinds of
8 plants you can grow, the cost of seeding, there is
9 relatively little data on the long-term costs or
10 cost benefit of having those plants there rather
11 than clearing and reclearing activities and the
12 insuring benefit that comes to the ecosystem because
13 you're now doing this with respect to, you know, the
14 splitting up of some of the opportunities for some
15 of those animals to live.

16 So the second piece of this is to
17 begin to, in a more controlled way, get some of
18 those data. I mean, there's lots of opportunities
19 out there. I think we just need to begin
20 documenting. Since the system is partly our
21 transmission rights-of-way and partly our
22 distributor customers' rights-of-way, there may be
23 some opportunities to partner with them to begin to
24 demonstrate some things on a nearer term time scale.

25 I don't think that we are to the

1 point where we are ready to commit that at the end
2 of a one-year or a two-year pilot we will be ready
3 to set goals on X miles of right-of-way that will
4 either be placed in partnership or will be placed in
5 low growth, we just don't have the data there.

6 MR. GREER TIDWELL: I mean, I was
7 very clear when I said three, six, nine years. I
8 know this is not a next month, next spring
9 turnaround kind of thing. This is a long-term
10 review, but it's 230,000 acres spread out over a
11 very changing population in the Tennessee Valley.

12 Part of what I'm looking at and why I
13 feel strong about this recommendation is to maintain
14 the support for TVA not just becoming a power
15 company, and if the only experience that all of
16 these brand-new Yankees, I'll be the one that says
17 it, Yankees coming down here moving in who aren't
18 accustomed to managing their land, aren't accustomed
19 to growing up like Paul and I did on a farm, if
20 their only experience is when they come home one
21 afternoon and find out that a contractor has
22 bush-hogged what they thought was a beautiful wild
23 flower garden, they are going to lose support. They
24 are going to not be supporting TVA in doing what TVA
25 can do, that's where I am coming from.

1 DR. KATE JACKSON: And that's why I
2 split those into two separates ones, because I think
3 we really need to not underestimate the value of the
4 opportunities for the partnership because I know
5 that historically we have partnered with landowners
6 who have gone and put some good plants in there and
7 then we have come in and bush-hogged them.

8 So we need to look for opportunities
9 to really focus on those partnerships so that we can
10 see what can happen there, not withstanding the need
11 for -- I won't say research but sort of first
12 practice and better data collection, sort of
13 translating the research into real life projects.

14 DIRECTOR SKILA HARRIS: Okay. Your
15 next recommendation addresses policy on campground
16 issues. You recommend TVA continue operating under
17 its existing procedural guidelines pertaining to the
18 development and operation of commercial campgrounds
19 on TVA retained land.

20 We interpret that you want us to
21 remain sufficiently flexible in our application of
22 those guidelines to ensure that both our commercial
23 campground operators and their rental clients are
24 given ample opportunity to bring facilities and
25 operations into compliance. You feel that this

1 recommendation is particularly applicable to those
2 situations where commercial operators have allowed
3 the construction of porches, decks, roofs, and other
4 appurtenances.

5 DR. PAUL TEAGUE: Stuff.

6 DIRECTOR SKILA HARRIS: I don't want
7 appurtenant stuff. No, wait. You can delete that.
8 Structures in association with the seasonally rented
9 campsite. We agree with this recommendation, and we
10 will proceed along those lines.

11 You recommend that TVA negotiate with
12 the individual campground operators, where these
13 structures occur, to ensure that such structures are
14 removed as attrition turnover occurs. If TVA and
15 the commercial operators agree that porches, decks,
16 roofs or other types of structure will be allowed,
17 then TVA should provide guidance on what types of
18 structures it will approve. We accept this
19 recommendation.

20 You recommend that the porches,
21 decks, roofs, and other appurtenant structures now
22 in place should be allowed to stay until such time
23 as the seasonal renters no longer use this
24 particular site or if a structure becomes a hazard
25 due to poor design or lack of maintenance. We

1 accept this recommendation.

2 You also recommend that TVA work with
3 campground operators in revising existing leases,
4 licenses, and easements to ensure that in the future
5 any and all such structures not removed by seasonal
6 renters once they no longer wish to rent the
7 campsite will be the property of the campground. We
8 accept this recommendation.

9 Any questions?

10 DR. PAUL TEAGUE: I would like to
11 make a statement, Skila. When this thing
12 originated, this problem, I interpreted that as the
13 old TVA attitude, that's what caused the problem,
14 and I would like to compliment TVA people on their
15 response, because when we held that first meeting
16 these recommendations primarily came from your
17 people, and I would like to compliment the people
18 that got on the ball, saw the problem, and
19 responded, and they did a good job.

20 DIRECTOR SKILA HARRIS: Thank you
21 very much.

22 You recommend -- and then we move to
23 a different set of recommendations that address
24 TVA's navigation responsibility and issues of the --
25 on the Tennessee River system.

1 You recommend that TVA continue its
2 integrated management of the Tennessee River system.
3 We obviously accept that recommendation.

4 You recommend that navigation
5 infrastructure be maintained and improved in order
6 to continue operation at optimal levels. We accept
7 this recommendation.

8 You note that the system is in
9 immediate jeopardy due to the need for a new
10 replacement lock at Chickamauga Dam and recommend
11 that replacement of the lock be a priority. TVA
12 wants to acknowledge the need for the replacement
13 lock at Chickamauga Dam, and we will continue our
14 efforts to work with the Corps of Engineers and
15 Congress to secure funding for this project.

16 You recommend that TVA fully support
17 the lock addition project at Kentucky Dam. We
18 accept this recommendation.

19 You strongly advocate the use of
20 federal funds to maintain and improve the Tennessee
21 waterway system. I'm going to sound like -- a
22 little bit like a broken record. In case you don't
23 remember what I said in August, our position is that
24 federal funds are no longer available to TVA and
25 that existing legislation specifically identifies

1 the funds that we can use other than federal
2 appropriations for these purposes. However, if
3 federal funds do become available through
4 appropriations, such funds could reduce the need for
5 funding for these activities from power revenues.

6 You also recommend that necessary
7 funding be provided in an equitable and timely
8 manner. In order to address this recommendation,
9 TVA and the Corps of Engineers will work together
10 under its existing memorandum of understanding to
11 provide funds to monitor and improve the
12 infrastructure.

13 You also recommended that TVA
14 continue its strategic partnership with other
15 federal agencies to ensure continuity of operations
16 and maintenance of the Tennessee River system and
17 explore additional funding opportunities. We accept
18 that recommendation.

19 You recommend that the economic costs
20 and benefits of an increased minimum navigation
21 channel be evaluated. This should be part of any
22 comprehensive analysis of operational changes to the
23 multipurpose river system.

24 What we're going to do, we're going
25 to, as we develop the scope of work for the

1 reservoir operation study, we will work with you and
2 other stakeholders to determine what can be included
3 in the river operation study with regard to this
4 recommendation while still keeping within the
5 two-year time frame.

6 I think that that concludes all of
7 those recommendations under operations related to
8 navigation.

9 Any comments?

10 Al?

11 MR. AL MANN: I think what the
12 committee meant here, when you said that TVA does
13 not get federal funding, we're aware of that, but
14 we -- what we -- we advocate that the use of federal
15 funds be used to improve the waterway system, not
16 TVA funds.

17 I think that's what we meant, wasn't
18 it, Miles?

19 MS. MILES MENNELL: Yeah, but I think
20 that Austin is going to report on that and on our
21 findings of what's available for us in a
22 different --

23 MR. AL MANN: But, I mean, here I
24 think you were inserting the word TVA, and we didn't
25 mean that, I don't believe, because the word TVA is

1 not in there. We just strongly advocate the use of
2 federal funds.

3 DIRECTOR SKILA HARRIS: Okay.

4 MR. AL MANN: Not TVA funds.

5 DIRECTOR SKILA HARRIS: Okay.

6 MS. MILES MENNELL: No. We
7 specifically meant federal appropriations to TVA and
8 we --

9 MR. AL MANN: That's not what it
10 says.

11 MS. MILES MENNELL: Well, what it
12 said originally was that our subcommittee
13 recommended the use of federal funds, but I don't
14 think we -- we had this discussion last time.

15 DIRECTOR SKILA HARRIS: Okay. Well,
16 whatever the intention was, as you well -- you're
17 very familiar with our position about appropriated
18 funds. If you are talking about other people's
19 money, I am always more than happy to spend other
20 people's money.

21 MS. MILES MENNELL: Me, too.

22 DIRECTOR SKILA HARRIS: And I do it
23 quite well. Thank you.

24 MR. AUSTIN CARROLL: Mr. Chairman, I
25 will comment, the legislative working group did take

1 a look at the federal appropriations issue since the
2 last meeting, and we will make a report on that
3 tomorrow.

4 MR. BRUCE SHUPP: Anything else on
5 the recommendations? Skila, any more?

6 Let me introduce the next topic; and
7 that is, the word equitable. I think -- you-all got
8 copies of the letter that I -- let's do that first.

9 DIRECTOR SKILA HARRIS: You can tell
10 this has not been rehearsed. What -- I had an
11 opportunity to be -- oh, by the way, I forgot
12 something at the very beginning, Glenn McCullough
13 sends his very best. I spoke with him this morning.
14 He's in Nashville, hopefully running TVA, and he
15 sends his best. He is eager to get your reaction to
16 our responses today, and he, once again, expresses
17 his appreciation for what you-all have already done
18 in terms of changing our thinking and changing the
19 way TVA does business.

20 Glenn and I both were briefed on
21 Tuesday with regard to the work plan for the
22 reservoir operation study, and it is quite the
23 undertaking. If volume of paper has any -- is any
24 indicator of the complexity of the study, this is
25 going to be one complex study, but -- and I think

1 David is going to speak to you tomorrow morning, and
2 I'm going to leave all of the nitty, gritty details
3 to him because he is developing a great approach to
4 this.

5 One of the reasons I feel very good
6 about his participation, I like to say he doesn't
7 have a dog in the fight, and he's -- he comes with a
8 very excellent background in project management
9 outside the river operations area. So he's learning
10 as he goes, which I think often brings very good
11 perspective to problem solving. So I'm very pleased
12 about where we are right now. We're already
13 identifying some important challenges.

14 So this is not going to be an easy
15 task, but we're planning. We have got -- we have
16 got a line of sight from where we are now to the end
17 of the study, and we have just got to make it happen
18 between now and then.

19 One of the things that I know that's
20 very, very important to this group is public
21 participation in this study, and obviously, you
22 know, even just because of the law there are going
23 to be public scoping meetings that will -- that we
24 are going to make sure that they meet the spirit, as
25 well as the letter of the law.

1 And our objective is going to be to
2 be as inclusive of as many people and as many
3 special interests and as many perspectives as
4 possible. We're going to redouble our efforts in
5 terms of advertising these public meetings to make
6 sure that the notification process is -- hits the
7 right communities, the right people with enough time
8 to get them the opportunity to fully participate in
9 this process.

10 Because we are -- we know the value
11 of this because we are having a fairly abbreviated
12 study, two years for something of this magnitude,
13 that is going to mean that we have to get the best
14 quality public participation we possibly can. Our
15 part of that responsibility is making sure that the
16 right people know the timetable, when the public
17 meetings are.

18 Now, there's also going to be a more
19 intensive role for a small group of individuals who
20 are willing and able, because of their commitment or
21 expertise, to participate throughout the course of
22 the reservoir operations study. I would like to
23 keep this group as small as possible just because,
24 as you well know, scheduling people these days is a
25 phenomenal hurdle. So I would like this -- to keep

1 this group as small as possible, five to seven
2 people as the core members, and we would like to
3 refer to this group as the public review group.

4 We envision the public review group
5 to be -- to include individuals of diverse interests
6 and opinions. Our preference would be that the
7 review group not be associated with any organized
8 stakeholder group. We believe that that may create
9 more of a bias than we feel like is healthy for the
10 dynamics of this group.

11 This group we do not see as seeking a
12 consensus opinion as we do on this Council or other
13 kinds of federal advisory committees. The public
14 review group will not be a federal advisory
15 committee organization simply by the nature of the
16 dynamics of what you have to go through. We believe
17 that we need more flexibility. We need more -- the
18 ability to call meetings more quickly and to be more
19 responsive.

20 What we would commit to do is to work
21 with the public group -- public review group through
22 a series of workshops, and the objectives of the
23 workshops will be to focus on specific topics. And
24 the workshops will be -- will include participation
25 by third-party subject matter experts that TVA will

1 invite.

2 By including both the public review
3 group and a group of technical experts in each
4 workshop, TVA will have the benefit of hearing all
5 of the opinions and the input as much of -- the
6 dynamics of that group -- of the public review
7 group, plus the experts, we think will bring the
8 healthiest perspectives for TVA to consider as part
9 of its effort.

10 We would like the core of the public
11 review group to remain the same throughout the
12 study. So obviously we want people who have the
13 time to devote to this. We would also like to
14 retain enough flexibility to add to the group for
15 special workshops that may benefit from experts or
16 stakeholders who have a unique perspective or
17 qualification.

18 I have asked the -- I guess I'm
19 asking the Council, and I guess address that to you,
20 don't I, Bruce, what we would like to do is have the
21 Council provide us with some guidance on the entire
22 process that we're going through and who could make
23 a significant -- different individuals who could
24 make a significant contribution to this study.

25 So that's what -- we need a lot of

1 guidance and advice from the Council as we go
2 through these very early stages of planning for the
3 study, as we will look to you-all throughout the
4 study, but is that -- are you agreeable to that?

5 MR. BRUCE SHUPP: I'm not sure I
6 understand exactly what you're looking for. You're
7 looking for the Council to provide guidance on the
8 overall public process, including the interaction of
9 the review group with the general public comments,
10 is that what you're --

11 DIRECTOR SKILA HARRIS: Well, at this
12 point we need some -- some help on public -- the
13 formation of public review group itself.

14 MR. BRUCE SHUPP: Formation?

15 DIRECTOR SKILA HARRIS: Now, we're
16 going to be asking other people too, but at this
17 point what we would like for you to do -- I mean,
18 this is our immediate need.

19 MR. BRUCE SHUPP: What I think we
20 ought to do is have a brainstorming session to see
21 if we can come up with some ideas on that. I'm not
22 sure, again, I fully understand it, but I'm sure if
23 we discuss it with David we will get an idea of what
24 you want. We are going to talk about the study
25 tomorrow with David.

1 DIRECTOR SKILA HARRIS: Right.

2 MR. BRUCE SHUPP: And if we could
3 provide input to that tomorrow it would be
4 functional for your purposes, that's for sure.

5 Anybody willing to work tonight to
6 brainstorm that?

7 MR. JIMMY BARNETT: I have one
8 question. Skila, you mentioned that you envisioned
9 the public review group -- the members of it not to
10 have any particular ties to any --

11 DIRECTOR SKILA HARRIS: Stakeholder
12 group.

13 MR. JIMMY BARNETT: Stakeholder
14 group?

15 DIRECTOR SKILA HARRIS: Right.

16 MR. BRUCE SHUPP: Is that what you
17 meant?

18 DIRECTOR SKILA HARRIS: Well, let's
19 say that -- let me tell you what I have in mind. If
20 we have a person who's -- okay. I will use Miles as
21 an example. I mean, that is your life, well, not
22 all your life.

23 MS. MILES MENNELL: Oh, I hope not.

24 DIRECTOR SKILA HARRIS: I know that's
25 right. I hope not too, Miles. I mean, if you are

1 a -- in your career professional capacity you
2 represent a stakeholder group, to me that creates an
3 inherent conflict right there. I mean, that's what
4 you do in your job. I mean, to me, not to pick on
5 Miles, but in this particular dynamic, that, I don't
6 think, is what we're looking for.

7 MS. MILES MENNELL: You're looking
8 for someone who could bring to this a really broad
9 perspective and be willing to compromise across the
10 board.

11 DIRECTOR SKILA HARRIS: Right.

12 MS. MILES MENNELL: I understand
13 that.

14 DIRECTOR SKILA HARRIS: And whose
15 performance and career is not measured by whether or
16 not they promote the position of their employer,
17 like an association. I mean, that's really what I
18 think that we're trying to accomplish.

19 Now, Kate, do you want to -- I mean,
20 we have people who are leaders of associations, and
21 I guess that's what I am getting to, that that is
22 their job, to be advocates for a particular
23 position, that is not -- that is not the group that
24 we're looking for. I think Miles characterized the
25 type of person that we're looking for.

1 MR. AL MANN: So you mean someone
2 like L.O.U.D. you would not want?

3 DIRECTOR SKILA HARRIS: If they have
4 an executive director, no.

5 SENATOR ROGER BEDFORD: I think,
6 Skila, that makes sense not just from your input but
7 public confidence in what the recommendations of
8 that group are to you, because that's one thing we
9 have heard throughout this last year and a half is,
10 well, they were biased one way or the other type
11 thing, and I think that's important for broad public
12 input and confidence.

13 MR. BRUCE SHUPP: I understand where
14 you're coming from with that, but I just wondered if
15 you can find the interest and expertise outside of
16 special interest groups to serve on something like
17 that.

18 DIRECTOR SKILA HARRIS: Well, we're
19 trying to figure that out.

20 MR. BRUCE SHUPP: I think we need to
21 brainstorm that subject.

22 DIRECTOR SKILA HARRIS: That's what
23 we're trying to figure out.

24 MR. LEE BAKER: Along that same line,
25 Ms. Harris, I can understand the executive director,

1 that type of thing, of an association, but what
2 about just belonging --

3 DIRECTOR SKILA HARRIS: Oh, no.

4 MR. LEE BAKER: -- an association,
5 that wouldn't necessarily --

6 DIRECTOR SKILA HARRIS: I don't think
7 that's a disqualifier, no, no, no.

8 MR. LEE BAKER: Because I agree with
9 you, Bruce, you know, if a person has that level of
10 interest, they probably have begun to associate
11 themselves in some fashion with like interests.

12 DIRECTOR SKILA HARRIS: I don't have
13 a problem with that, but it's just, what are you
14 paid to do every day?

15 MR. LEE BAKER: I agree.

16 DIRECTOR SKILA HARRIS: I mean,
17 that's not -- Miles, I don't mean to --

18 MS. MILES MENNELL: I understand
19 perfectly. I think you're absolutely right. I
20 think you need to have the broad diversity, if I may
21 comment -- if I may comment, but, I mean, I think
22 that's in all of our best interest to have people
23 who can be impartial and that can just go forward
24 and address the issues on a very broad basis, I
25 think that's very important. I understand exactly

1 where you're coming from, even if you did use me as
2 an example.

3 MS. JULIE HARDIN: My question is, as
4 we come to help you with the formulation of the
5 public review group for this whole two-year study,
6 five to seven people, not advocating for their own
7 life or profession, and not an advisory group you
8 pointed out, what is in it for them to be a member
9 of this group? How do we sell this to the people
10 who we may help you identify? They're not advisory
11 or they're not, you know, representing or increasing
12 the goods for their own profession. So what do we
13 say, you want to be a part of this group because
14 why. I think we need to know how to sell it.

15 DIRECTOR SKILA HARRIS: Obviously
16 this -- whoever serves on this group has to have a
17 personal interest and commitment to resource
18 management in the Tennessee Valley.

19 This to me is a tremendous
20 opportunity to play a role in crafting how the
21 resources in the Valley will be managed, preserved,
22 conserved, whatever word you want to use, from now
23 until the next time one of these massive studies is
24 done. You have got to want to do that.

25 If you don't care that deeply about

1 the issue of resource management, then you're not
2 going to be interested in doing this. It's too
3 hard. As you-all have learned, this is very hard.
4 And so you have got -- there's got to be a passion
5 there. I don't know how else to sell it. The pay
6 isn't going to get it.

7 MR. PHIL COMER: Skila, in all
8 fairness, I think that's what some of us thought we
9 had been doing for the past 16 or 18 months.

10 DIRECTOR SKILA HARRIS: That's right,
11 you-all have, but this -- this particular group --
12 this group is not taking over for your role here.

13 MR. PHIL COMER: But it sounds that
14 way to me.

15 DIRECTOR SKILA HARRIS: No, it's not.
16 This is a group that will simply be working on the
17 study. This group -- this public group will be
18 working on the study specifically. You-all will
19 continue to have responsibilities depending on the
20 outcome -- what we decide after this. That's not
21 what this is for.

22 MS. JULIE HARDIN: And I think we are
23 an advisory group, Phil. I think they are listening
24 to our recommendations, I think that's a big
25 difference.

1 DIRECTOR SKILA HARRIS: Phil, excuse
2 me, I mean, can you be a little bit more articulate
3 about why you think that this is taking over your
4 role?

5 MR. PHIL COMER: Well, your
6 description of this five to seven people, a public
7 review group, is exactly the description that I was
8 presented with when I was first asked to become a
9 member of this group.

10 DIRECTOR SKILA HARRIS: No -- no, it
11 isn't.

12 DR. KATE JACKSON: Let me address it
13 a little bit. I mean, the Charter of this group is
14 to --

15 DIRECTOR SKILA HARRIS: Right.

16 DR. KATE JACKSON: -- examine the
17 natural resources management whole focus of TVA.

18 DIRECTOR SKILA HARRIS: Right.

19 DR. KATE JACKSON: This reservoir
20 operations study is a very specific, tactical
21 response to a recommendation that you-all made.
22 And, in fact, in that recommendation you requested
23 an ad hoc review group made up of public members.

24 MR. PHIL COMER: And members of the
25 this Regional Resource Stewardship Council.

1 DR. KATE JACKSON: And I think you're
2 making assumptions that some decisions have been
3 made to be exclusionary about the people in this
4 room, which have not, in fact, been made.

5 MR. PHIL COMER: Well, that's what I
6 thought I heard Skila say earlier.

7 DR. KATE JACKSON: I think you've
8 made assumptions about things that have not been
9 made.

10 MR. PHIL COMER: Not to be affiliated
11 with any stockholder group.

12 DR. KATE JACKSON: What that means is
13 official affiliation, for example, a paid executive
14 director. And I think that's our suggestion for
15 you-all to think about a little bit and provide us
16 some advice on.

17 And I think what we would like is to
18 have people -- and we had a discussion here at the
19 last meeting, a discussion about the kind of
20 commitment that you folks can make, recognizing the
21 evolutionary process of the Council. In addition,
22 the need, based on the recommendation that you-all
23 made for the ad hoc group, some of you-all said we
24 can't both, can't do more, this is -- you know, we
25 need to think about this, and what we're asking is,

1 have you-all thought about that, and come together,
2 maybe this evening, and provide us some feedback.

3 I mean, where we need go is to have
4 some group of the public who can stick with us
5 through the whole thing, provide us -- and it is
6 advisory, although not in a formal way, and provide
7 us advice and input but also represent the public in
8 those -- in that ongoing process, not exclusionary
9 of the NEPA process, certainly, so that we have
10 that -- that role play that you-all foresaw as you
11 made this recommendation to us.

12 MR. BRUCE SHUPP: Steve?

13 DR. KATE JACKSON: Excuse me. You
14 also need to remember, we don't know if we will
15 continue this Council. So we need to make sure that
16 the public review process for the study gets set up
17 appropriately and that can zoom on, because we can't
18 wait two months between every one of those meetings,
19 and then we can come back -- circle back and talk
20 about the role for the whole Council as we move
21 forward.

22 DR. STEPHEN SMITH: Kate, that was my
23 question, just seeking clarification. I guess you
24 answered it partly. If we don't exist, then we have
25 no role. But if we exist, I guess I'm trying to

1 understand the interface between this group focused
2 on the study and the Regional Resource Stewardship
3 Council.

4 DR. KATE JACKSON: And I don't think
5 we have fully figured that out yet, Steve. One of
6 the issues that I have, and we have talked about
7 this, you know, this is a relatively cumbersome
8 process, and when I go back to examine the original
9 requests that were made to establish this Council,
10 we need to think about whether or not we have
11 fulfilled that. And if we have, that's great.

12 If we haven't, then maybe we need to
13 think about, okay, the reservoir operation study
14 goes on, can we talk about ways to fulfill that
15 request that was made originally with respect to the
16 natural resources in the Valley? I think we all
17 need to think about that one.

18 DR. STEPHEN SMITH: When is that
19 process going?

20 DR. KATE JACKSON: We need -- I need
21 to make a recommendation to the Board of Directors
22 before February 2nd on the Council.

23 MR. BRUCE SHUPP: Austin, then Al.

24 MR. AUSTIN CARROLL: Our Charter is
25 up in January?

1 DR. KATE JACKSON: February 2nd.

2 MR. PHIL COMER: February the 4th.

3 MR. AUSTIN CARROLL: Make up your
4 mind. February the 4th or 2nd?

5 DR. KATE JACKSON: Early February.

6 MR. AUSTIN CARROLL: Early February?

7 DIRECTOR SKILA HARRIS: A single
8 digit February day.

9 MR. AUSTIN CARROLL: That's what I
10 was getting at. In other words, we still have time
11 for one more meeting and kind of thing?

12 DR. KATE JACKSON: That's right.

13 MR. AUSTIN CARROLL: Okay.

14 MR. PHIL COMER: I was just quoting
15 the attorney who said February 4th at our last
16 meeting. I'm just quoting our attorney. We all
17 thought it was March 17th, which is when this group
18 first convened, and at the last meeting he corrected
19 us by stating that it was when the Charter was
20 issued, which was February 4th, not when we first
21 started meeting, which was March 17th.

22 MR. BRUCE SHUPP: Al.

23 MR. AL MANN: Maybe I shouldn't ask
24 this question, but I'm going to anyway, but I'm a
25 little confused as to the people you're looking for

1 on this committee. So I am going to ask you point
2 blank, would Phil Comer qualify to be on this
3 committee?

4 DIRECTOR SKILA HARRIS: He's not --
5 you're not executive -- do they pay you to do this,
6 Phil?

7 MR. PHIL COMER: No, ma'am, neither
8 does TVA and neither does L.O.U.D., neither does the
9 Isaac Walton League, neither does the Chamber of
10 Commerce, neither does the County of Jefferson City
11 or the other 14 groups that I represent on this,
12 none of them pay me at all.

13 MR. AL MANN: I mean, I know he's a
14 spoken advocate of --

15 DIRECTOR SKILA HARRIS: Right.

16 MR. AL MANN: But I just wonder what
17 you -- if he would qualify, that's all.

18 DIRECTOR SKILA HARRIS: I see no
19 reason that Phil wouldn't qualify for this. Now,
20 that doesn't mean --

21 MR. THOMAS GRIFFITH: I was just
22 saying that I think Phil ought to get paid by
23 somebody for something.

24 MR. PHIL COMER: Don't worry about
25 that.

1 MS. JULIE HARDIN: Speaking of
2 passion.

3 DIRECTOR SKILA HARRIS: Yes. But I
4 think -- look, we're -- we're in a search here for a
5 definition of the kind of group -- what the
6 composition of the group would be. I mean, we don't
7 know yet, that's one reason we're soliciting
8 information from you-all. We would like your input
9 on what this group would look like.

10 MR. BRUCE SHUPP: I would like to ask
11 a favor of you, to withhold that judgment on who
12 would be excluded until we have the brainstorming
13 session.

14 DIRECTOR SKILA HARRIS: Okay. That's
15 fine, but just as a principle we wanted to provide
16 you at least with that principle because I think
17 when you -- when you include someone who is in that
18 sort of executive director type -- that that is
19 their job, I think that that creates a question of
20 how balanced that person can be.

21 MR. BRUCE SHUPP: I'm not sure I
22 agree with that. My whole job is dealing with
23 advocates for something, and some of the very best
24 and fairest and most professional advocates I deal
25 with are the paid ones. So I just wonder whether

1 excluding those people is the right strategy to --

2 DR. KATE JACKSON: We'd appreciate
3 your feedback on that.

4 DIRECTOR SKILA HARRIS: That's fair.
5 That's a fair statement, Bruce.

6 MR. BRUCE SHUPP: I think the
7 definition of exactly who you want to exclude and
8 why should be something we discuss tonight. What
9 type of person or what type of extreme advocacy
10 you're trying to keep out, I think we should talk
11 about that when we have the brainstorming session.

12 DIRECTOR SKILA HARRIS: That's fine
13 then.

14 MR. BRUCE SHUPP: Are you prepared to
15 discuss that tonight if we have the workshop?

16 UNIDENTIFIED SPEAKER: Absolutely.

17 MR. BRUCE SHUPP: Phil?

18 MR. PHIL COMER: I would like to just
19 add to what, Bruce, you have just said, and this may
20 sound strange coming from me, but I mean this very
21 sincerely, I think that the 158 wholesale
22 distributors have every right in this world to be
23 represented in such a group. I think they have an
24 incredibly serious vested interest, and yet, the
25 people who represent those 158 wholesale

1 distributors who are members of this Council are,
2 indeed, paid for that occupation. I see nothing
3 wrong with that.

4 DIRECTOR SKILA HARRIS: Okay. But,
5 now, I'm going to -- I'm about to get myself in big
6 time trouble with the distributors sitting at this
7 table, maybe I shouldn't say this, I'm not -- I'm
8 not sure that -- okay, guys, forgive me for this,
9 all right, these guys are experts in something else
10 other than resource management, by and large.

11 Is that okay?

12 MR. PHIL COMER: No, it is not okay.
13 If I were one of them, I would be offended by that.

14 SENATOR ROGER BEDFORD: Well, since
15 you're not though, Phil.

16 MR. PHIL COMER: I am a ratepayer and
17 I would like to have the 158 distributors
18 represented as a ratepayer, quite frankly. I think
19 they have every reason to be represented in that
20 group.

21 MR. BRUCE SHUPP: Phil, I presume you
22 are going to join us this evening?

23 MR. PHIL COMER: No, I really -- I
24 don't believe in these spur of the moment -- this is
25 a very serious matter for brainstorming. And as

1 most of you know, I get up about 4:30 in the
2 morning, and my normal habit is to go to bed before
3 engaging in brainstorming after dinner. So, no, I
4 don't think I will participate in that this evening.

5 MR. BRUCE SHUPP: I'm sorry about
6 that. And as far --

7 MR. PHIL COMER: I think it's too
8 serious to be done in a brainstorming session after
9 we have had a reception and dinner in the evening.
10 I think it is a much more serious matter that Skila
11 has suddenly brought up here than to be disposed of
12 and to be settled this evening.

13 MR. GREER TIDWELL: Can we have two
14 sessions of brainstorming after dinner and a fishing
15 outing tomorrow morning?

16 MR. BRUCE SHUPP: Let me finish the
17 comments. Roger?

18 SENATOR ROGER BEDFORD: Bruce, I am
19 going to go back to something that Kate brought up
20 that came up in our subcommittee today, and I would
21 like a little feedback from Skila and Kate as to
22 whether or not this body is giving you specific
23 enough recommendations. Are we trying to
24 micromanage or being the flip of that, too broad?
25 Do you feel like that we are coming with concrete

1 enough things to where it is of substantive value at
2 this point in time? And I realize the role is not
3 completed, but I want some feedback on that.

4 DIRECTOR SKILA HARRIS: Where we did
5 not feel like that we had -- there are a couple of
6 places that we felt like you picked the low hanging
7 fruit and sort of then vaged out on us on the tough
8 details, we have come back to you on those. I mean,
9 we like -- but part of that, I thought, had to do
10 with the consensus process on your -- in your own
11 dynamics.

12 So, Roger, I would say by and large
13 the recommendations have been specific enough. On
14 the hardest ones, however, where we are struggling,
15 you-all struggled, too. What we're doing is -- my
16 view is you missed an opportunity to provide us with
17 more direction, which, once again, leaves it more up
18 to us. I mean, I understand consensus building. I
19 mean, that's how we do it, by and large. When you
20 have a three-person board where you-all have
21 three -- one vote, you know, it's a consensus
22 process there too, but does that -- does that answer
23 your question?

24 SENATOR ROGER BEDFORD: Yes and no,
25 and I think it's a fair response, but I will give

1 you an example of -- I don't want the issue to be
2 resolved, but I will just give you an example.
3 Today our subcommittee had focused on a very
4 specific part of the river and one use of a
5 particular segment of the river, the upper Ocoee,
6 and subsidizing of TVA for the development of an
7 industry there, and we made the decision in the
8 subcommittee not to make a specific recommendation
9 about the number of days or whether the contracts
10 should have to be fulfilled or not, which is --
11 you're coming to the end of a five-year period where
12 you will now change that program, and we looked at
13 that program in-depth and chose not make a
14 recommendation about it.

15 Are we -- should we be trying to
16 offer recommendations or not on that --

17 DIRECTOR SKILA HARRIS: Let me tell
18 you where I would -- that -- you know, I don't know.
19 I would have to look at what you-all have even
20 talked about.

21 What I'm specifically talking about
22 where it's been what is a relative value to you-all
23 in terms of a -- of one of the -- you know, what is
24 more important, and that's where you-all have lacked
25 some specificity that might have helped us in the

1 guidance.

2 If you provided us information on how
3 valuable -- where you rank whitewater rafting on the
4 Ocoee in the hierarchy of all the different things
5 that we do, that to me is pretty important.
6 Fiddling with the days is maybe not the most
7 important information you can provide us, but I
8 don't know, I mean, I haven't seen what you have
9 done, but where I think that there has been less
10 information and less guidance is the relative value
11 of things.

12 MR. BRUCE SHUPP: Roger, I think we
13 can -- that's going to come out in the next
14 discussion too, the specificity.

15 SENATOR ROGER BEDFORD: I know it is,
16 but it was just timely, Bruce. I apologize.

17 MR. BRUCE SHUPP: And Austin and
18 Jimmy, if we can get on with the agenda and keep on
19 track, there's a good chance we will have an hour --
20 we will end up an hour ahead and we can do the
21 workshop within the agenda, if we can stay on time
22 here. Would that --

23 DIRECTOR SKILA HARRIS: Excuse me,
24 Bruce. I don't mean to override you here, but if
25 there's something they need to say to me about this,

1 I would like to hear them since I have bashed them.

2 Do you mind?

3 MR. JIMMY BARNETT: I'd just make a
4 real quick comment.

5 DIRECTOR SKILA HARRIS: Yeah.

6 MR. JIMMY BARNETT: Jack Gordon,
7 which the Council has heard, is a professor. He
8 doesn't have a weighted interest in anything. He's
9 retired. He's also very knowledgeable about river
10 operations and what happens to rivers when they
11 operate in certain ways, would that type of person
12 be the kind of person that you would be looking for?
13 Kate, do you have a comment on that?

14 DR. KATE JACKSON: I guess my feeling
15 is, on the public review group what I would like to
16 see is people who are more representative of an
17 objective public. And if he is an enormous expert,
18 then I would suggest we bring him in as a technical
19 expert and have those public folks on that public
20 review group ask him questions, you know, ask TVA
21 questions and ask him questions and be able to see
22 those views.

23 You know, the issue is, would those
24 people in the public -- that public review group, I
25 guess someone said that they should be unbiased, my

1 view is they shouldn't be unbiased, they should
2 represent specific interest, but be objective enough
3 to be able to objectively represent the public in
4 that venue, and that's what I am interested in.

5 MR. AL MANN: So the words objective
6 period?

7 DR. KATE JACKSON: Representing
8 special interests, that's a good thing.

9 MR. AUSTIN CARROLL: That's okay,
10 Ms. Chairman, I'm accustomed to being bashed.

11 MS. MILES MENNELL: She bashed me
12 first, Austin.

13 MR. BRUCE SHUPP: All right. Any
14 other comments? Are we in agreement that we'll try
15 to get the workshop into the 4:00 to 5:00 time slot?
16 All right. That will off the record, I presume. We
17 won't be doing that on the record. We would adjourn
18 and then just go on with an informal brainstorming
19 session. You can hang in until 5:00?

20 MR. PHIL COMER: I can hang in until
21 about 8:30.

22 MR. BRUCE SHUPP: Okay. That's good.
23 You might be here that long. All right. That
24 brings us to the question -- let me try to set this
25 up properly, about a month or so ago, five weeks

1 ago, Skila called me and -- to talk about the
2 aquatic plant management issue, and I thought it was
3 an excellent conversation and excellent questions
4 she asked.

5 She asked basically two questions.
6 One was you have got to help us understand what the
7 word equitable means when you're talking about what
8 is an equitable share of the funding, and that's --
9 that was the toughest part we all had with
10 developing the recommendation in the first place.

11 And the second one was -- that really
12 struck me was, if TVA is going to spend money on the
13 aquatic plant management, what if we spend some
14 money on research that may get us to a more sound
15 and less costly long-range solution to managing
16 these exotic aquatic plants, and is there a way to
17 do that.

18 And I answered the first question by
19 going to a friend of mine, who is probably the
20 world's leading expert in aquatic plant management,
21 and that's Bill Halley (phonetic). You've got
22 copies -- I think you-all got copies of that
23 correspondence, so I won't go into that.

24 The second way I want to resolve the
25 equitable issue was to go to our originators of the

1 policy recommendation, the water quality
2 subcommittee, and have them -- bounce off of them my
3 interpretation of what the policy says and what it
4 implicates to TVA from that language in the policy
5 and then asking their help to define equitable.

6 Well, that would put us right back
7 into the whole development of the policy again and
8 the disagreement about what is equitable and who
9 should pay and who shouldn't pay and nothing would
10 resolve. What I was going to do when they resolved
11 it was circulate it to you-all so you could have a
12 shot at it before Council meeting, but the timing
13 just went out and I didn't do that.

14 I said, well, in the letter to Skila,
15 let's just discuss it in front of you here at the
16 meeting say, what is equitable? What did we mean by
17 equitable? So with that, I open the discussion,
18 what did we mean by equitable?

19 MR. PHIL COMER: I wasn't on that
20 committee.

21 MR. BRUCE SHUPP: You were on the
22 Council though and we agreed to that. So, you know,
23 we agreed to that equitable.

24 MR. JIMMY BARNETT: Okay. One of the
25 things I objected to when you came out with your

1 comments to me, Bruce, was the fact -- I will read
2 here, my interpretation is that implicit within the
3 recommendation is TVA's responsibility to recruit
4 its funding partners, that I have no problem with,
5 but it is also implicit that if partnership funding
6 isn't found, then TVA will finance aquatic plant
7 management by itself. I didn't think that was part
8 of the recommendation, other than the --

9 MR. BRUCE SHUPP: I don't think we
10 meant it to be, but I think that's what it says. In
11 other words, TVA is responsible for the plant
12 management. They're responsible for bringing in the
13 scientific experts. They're responsible for leading
14 the negotiations for partnership funding, but we
15 never said, but if you can't get that partnership
16 funding, then you only have to do X percent. It's
17 implicit in the way it's written, I think, that if
18 you don't get the partnership funding, you just keep
19 doing it.

20 MR. JIMMY BARNETT: Or you don't do
21 it.

22 MR. BRUCE SHUPP: But it doesn't say
23 that. So what I was trying to do is say, this is
24 really what I think we told them, and what this
25 discussion today is, is that what we meant to tell

1 them, and if not, what did we really mean to tell
2 them?

3 MR. JIMMY BARNETT: I don't think as
4 a representative of the group that I'm representing,
5 which is the power distributors, that we would agree
6 to unlimited funding on cleaning up all aquatic
7 plants on the whole river system period. We
8 couldn't -- I wouldn't judge myself as saying that
9 I'm qualified to represent them and say to spend all
10 the money that it takes to get rid of all the plants
11 under any circumstances. So I would not say that.

12 MR. BRUCE SHUPP: Representing
13 fishermen, I say the same thing, I don't want to do
14 that either, but again, that is not the issue. What
15 the policy says is, devise a plan that meets
16 stakeholders' needs and then set about to fund and
17 implement that plan, but what we didn't say is,
18 what's an equitable way for the stakeholders to
19 share that cost?

20 SENATOR ROGER BEDFORD: Mr. Chairman,
21 I was just going to comment, the flip of that
22 question is, I don't think TVA could walk away from
23 it and ignore the problem either. I mean, I think
24 implicit in that question is, who does it if you
25 can't get the stakeholders? I think that's a fair

1 question for us to decide, because I don't think
2 anybody would say TVA has no role and you just walk
3 away.

4 DR. STEPHEN SMITH: Bruce, can I just
5 get clarification?

6 MR. BRUCE SHUPP: Yes.

7 DR. STEPHEN SMITH: Are you saying
8 that right now, the way it's written, is that if
9 there is not funding picked up that TVA -- the
10 understanding is that TVA will continue to do that?

11 MR. BRUCE SHUPP: That's the way I
12 think we have written it. Whether we mean it that
13 way or not, that's what we have written.

14 DR. STEPHEN SMITH: One issue with
15 that is that I remember exclusively discussing this
16 at the subcommittee level, and I thought we
17 discussed it at the full Council level too, is if
18 there's not some sort of tension to require the
19 local stakeholder, whether it be government or
20 property owners or whatever, to engage and figure
21 out the funding, the default is, well, we don't have
22 to do anything, there's no incentive for them to do
23 anything.

24 So I think there's got to be some
25 mechanism that -- that TVA begins to back away from

1 some of the funding unless other mechanisms are
2 figured out so everybody is an honest broker trying
3 to figure it out, otherwise, the default is, you
4 know, well, we never cough up any money, and
5 therefore, TVA just keeps doing it, and I don't
6 think that was the intent of what we were trying to
7 do.

8 DIRECTOR SKILA HARRIS: Stephen,
9 would you say that again? I want to -- I mean,
10 obviously we weren't the only one confused by this.
11 I am so relieved. Would you say --

12 DR. STEPHEN SMITH: Well, the way I
13 remember it, there were two things at work in the
14 process. One was a recognition that there are --
15 there are multiple interests there with the weeds
16 and that not all of those interests necessarily are
17 in the public domain, per se, and therefore, there
18 is some obligation for aquatic weed management to be
19 shared.

20 And clearly, if the federal
21 government wants to step in and fund the role, we
22 were obviously supportive of that, but that was no
23 longer an option. So there was -- I think -- the
24 way I understood the recommendation was that what we
25 wanted to do was create some tension so that local

1 stakeholders would do two things.

2 One, they would try to figure out an
3 equitable way of sharing the load. And two, they
4 would keep tension on and political pressure on the
5 elected representatives to try to get federal
6 funding flowing back into this situation because we
7 understand inequitable situation TVA is in with
8 having to manage the river, yada, yada, yada.

9 So I don't think that the default was
10 if you sit quietly and refuse to participate,
11 therefore, TVA continues to do it. So that's not
12 what I understood the default to be. And whether it
13 was phased out or what, I think -- I don't know if
14 we got to that level of detail, but I -- I didn't
15 not agree at the subcommittee level or the full
16 committee level that TVA continue to do it.

17 I understand TVA has a responsibility
18 to some of it, but there is -- there are some weed
19 management that is going on that I don't necessarily
20 think that TVA should be paying for.

21 MR. BRUCE SHUPP: And just for your
22 information, that was the way the first draft -- we
23 went through four iterations of that policy
24 statement. The first draft came out of the water
25 quality subcommittee with just that approach, the

1 Council didn't buy that approach. Now, whether we
2 had the right Council members here today to shoot
3 that down, I'm not sure, I don't remember, but the
4 Council said, no, that they don't buy that, that
5 there has to be local cost sharing, so then we went
6 on from there.

7 Austin?

8 MR. AUSTIN CARROLL: I don't know.

9 Maybe it's a situation where you have certain, you
10 know, channels or whatever that have to be kept open
11 for navigation, you know, some primaries that TVA
12 may need to fund, but then there are some others
13 like, I think Stephen is referring to, where perhaps
14 TVA could do it on a matching fund basis where, in
15 other words, they make dollars available, but those
16 dollars being spent would be contingent upon
17 stakeholder groups coming forward and providing
18 matching dollars, something along those lines.

19 MR. JIMMY BARNETT: That's exactly
20 the way I had thought of it. Navigation, you have
21 got to keep it open. I personally have no problem
22 with keeping some public areas -- boat launch areas
23 open, but if you're doing it in front of my
24 subdivision because I want it, then I think I ought
25 to help pay for it.

1 MR. BRUCE SHUPP: And that's the way
2 it came out of the subcommittee. The subcommittee
3 said navigation, public use areas. And navigation
4 was meant to include cutting lanes into subdivisions
5 so they could navigate out of their subdivisions,
6 that was part of the strategy.

7 The actual treatment in front of a
8 commercial loading dock or a marina, commercial
9 marina, or a subdivision was thought to be out of
10 it. And as I recall, we were guessing at about --
11 in the case of Guntersville that would make it
12 almost 50 percent or maybe 60 percent local funding
13 and 40 percent TVA funding, that's what I think we
14 were looking at, at the time.

15 And that would mean in this case the
16 local community coming up with a share of 700,000 or
17 something like that, \$800,000, which I'm not sure at
18 this stage is practical, but that was the thought
19 process. It was specific in the first
20 recommendation, navigation and public use areas.

21 Paul?

22 DR. PAUL TEAGUE: I have been known
23 as being responsible for messing up the punch bowl,
24 but I was at Guntersville and as I drove back to
25 Chattanooga I watched the Tennessee River most of

1 the way up or its tributaries. There was aquatic
2 plants all the way up, including in the City of
3 Chattanooga. I was astounded at the price that was
4 quoted.

5 Chip, what was the exact figure?

6 MR. PHIL COMER: Per acre.

7 UNIDENTIFIED SPEAKER: 1,000 per
8 acre.

9 DR. PAUL TEAGUE: \$1,000 an acre a
10 year, sometimes maybe two years. And if you talk to
11 the person that's trying to manipulate the figures,
12 they might say three years.

13 Now, you know, it doesn't take a
14 science major or math major to figure out that a
15 \$1,000 an acre for that aquatic plant, which is
16 thousands and thousands and thousands of acres, just
17 like Everett Durkson (phonetic) one time said, a
18 billion there and a billion there soon adds up to
19 money, and we are talking about an astronomical
20 figure.

21 And the only thing I hear people say
22 is control, control. Well, all you're saying is
23 this is a repetitious entity every year. The
24 ratepayers, TVA, hell, the federal government would
25 almost run out of money if you keep this action up.

1 Why can't we kill the crap?

2 MR. BRUCE SHUPP: Is that a
3 rhetorical question or do you want an answer?

4 DR. PAUL TEAGUE: I want an answer.
5 Hey, I don't deal in rhetorical.

6 MR. BRUCE SHUPP: There's a good
7 answer. The answer is that right now there's no way
8 to kill the target species without killing all of
9 the other native species and without having an
10 astronomical impact on not only the ecosystem but
11 the economy of the area.

12 Right now the management plans that
13 TVA is dealing with are targeting about 1,500 acres
14 of vegetation, not all of it. They are only
15 targeting about 1,500 acres.

16 DR. PAUL TEAGUE: That's this year
17 but --

18 MR. BRUCE SHUPP: Let me finish.

19 DR. PAUL TEAGUE: Okay.

20 MR. BRUCE SHUPP: The question to ask
21 and the question that Skila wants answered, I'm
22 sure, is, what's our ultimate exposure liability
23 here? How much are we ultimately going to get
24 exposed to if we manage residential, commercial,
25 public use, and navigation, and there's no answer

1 for that right now, Paul, but it's not billions and
2 billions. It's probably some multiple of the
3 million and a half to two million that they're
4 spending now.

5 What you're asking for, the whole
6 world is asking for, let's get rid of this stuff,
7 and there's no way to do it at this point, not
8 without major impacts to other things.

9 DR. PAUL TEAGUE: It would have a
10 major impact for a year. You know, the good Lord
11 restores nature if you get rid of the things that
12 contaminate it to start with.

13 MR. BRUCE SHUPP: But there is no
14 way. You're asking for something that doesn't
15 exist.

16 DR. PAUL TEAGUE: Other people that I
17 have heard say that you can, that it would have an
18 initial impact but it would -- nature would help to
19 take care of itself in a period of time, and this
20 crap keeps growing more and more and more. You may
21 only talk about 1,500 acres this year, but in five
22 years from now, if a person is able to get from
23 their dock to the mainstream, there's going to be
24 thousands and thousands more acres that are going to
25 have to be, quote, controlled. I don't like the

1 world controlled unless we're talking about birth
2 control.

3 MR. BRUCE SHUPP: We're talking about
4 management, not control. Control is your word.

5 DR. PAUL TEAGUE: Management and
6 control are synonymous in this case. You're talking
7 about management. You're talking about just
8 controlling. I'm using the word control. I will
9 accept your word of management, but you're not
10 really managing it.

11 MR. BRUCE SHUPP: Well, what you're
12 asking for doesn't exist. In the meantime --

13 DR. PAUL TEAGUE: Other people says
14 it does, but I don't know.

15 MR. BRUCE SHUPP: Who is the other
16 people?

17 DR. PAUL TEAGUE: Al, who was it we
18 talked to in --

19 MR. AL MANN: I think what you're
20 referring to is eradication and you're talking
21 carp -- grass carp will eradicate them, is that not
22 correct?

23 MR. BRUCE SHUPP: That's correct.

24 MR. AL MANN: Okay. It eats
25 everything else, too.

1 MR. BRUCE SHUPP: That's exactly
2 right.

3 MR. AL MANN: Then at some point in
4 time you have eradicate the grass carp.

5 MR. BRUCE SHUPP: No. They have
6 tried that technique in the Sante Cooper system,
7 which is a huge system, and they had a big economic
8 impact from it the first couple of years from
9 tourism and fishing, the economy.

10 The carp ate everything, and then as
11 the carp die off, you either stock more carp or the
12 weeds come back and then you stock more carp again.
13 So it's not a free process. They don't last
14 forever. They don't reproduce. So there's economic
15 impact to buy it and there's economic impact from
16 eliminating all the weeds. So there's no free lunch
17 on it. There's no free lunch.

18 Steve?

19 DR. STEPHEN SMITH: We were just
20 discussing, Paul could advocate for removing the
21 dams, and then it would kind of flush that all out
22 and that would get rid of it.

23 One of the larger questions here
24 is -- that I wanted to weigh in on is there is -- I
25 think TVA has a responsibility to explore management

1 of the -- particularly the riparian zones up river
2 and the runoff and how that contributes and other
3 things like that, and that should be part of the
4 comprehensive equation as opposed to just dealing
5 with the local patrol. I mean, you should try to
6 get at some of the issues that are causing the
7 situation to be even worse. And I think that is
8 clearly a TVA responsibility and it should be
9 something that should be aggressively pursued.

10 MR. BRUCE SHUPP: Roger, then Miles.

11 SENATOR ROGER BEDFORD: Bruce, and
12 for Skila's benefit, I think part of the thing
13 that's most interesting to me about this discussion
14 is about how we define equitable and cost sharing,
15 and Stephen right about the tension, rather than the
16 default is, how we're going to apply this to those
17 who want to keep the lake levels up and how we're
18 going to find an equitable way to charge them for
19 this new benefit that they want.

20 And, you know, when we talk about
21 cost share for weeds and we start to define how
22 we're going to make it equitable for local
23 governments and for local citizens and marina owners
24 and dock owners and whomever, you know, I think this
25 may be a micro discussion then that will lead us to

1 what the equitable cost sharing should be for the
2 multimillion dollar home on the lake that wants the
3 water to stay up longer, when they bought it knowing
4 that the water went down at a certain time, because
5 that will be a benefit that perhaps TVA ratepayers
6 can't afford to pay without some type of return.

7 So I think it's very important how we
8 define this equitable approach here because it needs
9 to be equitable throughout the system as we approach
10 how we're going to make people who now have not paid
11 for it suddenly start to have to pay for what they
12 have presumed to be a benefit, and certainly if you
13 keep the water up another month, that is a new
14 benefit to someone that has a cost down the system.

15 MR. BRUCE SHUPP: Miles, then Phil.

16 MS. MILES MENNELL: In response to
17 your question, Skila, I think the word equitable was
18 a compromise word, because I think the subcommittee
19 actually was advocating that we have these
20 partnerships in funding.

21 I took exception to that in the
22 short-term because I felt like it was an unfunded
23 mandate on local government, and I think they were
24 opposed, obviously, to having to come up with that
25 700,000 or a million dollars or whatever, but I

1 think realistically that the bottom line is that
2 what is equitable obviously is going to be finding
3 some sort of cost-sharing mechanism so that -- to
4 reiterate, TVA assume their portion of
5 responsibility back to navigation or whatever, but
6 that local governments are going to have to
7 participate.

8 But in answer to your question, I
9 really think that the word equitable was simply a
10 compromised word. I'm not really sure that it has
11 that much meaning. I think a lot of it was done in
12 deference to my objection.

13 MR. PHIL COMER: I just wanted to
14 piggyback on what Roger Bedford was saying about
15 many of the benefits, and I don't think we should
16 overlook the possibility of the City of Chattanooga
17 having to pay its equitable share of flood control
18 that saves them \$138,000,000 a year in excess water
19 damage abatement.

20 MR. BRUCE SHUPP: Steve?

21 DR. STEPHEN SMITH: Yeah, sort of in
22 the same spirit. I mean, one of the things is -- I
23 mean, there's a group of folks who are already
24 ponying up money to pay for renewable energy because
25 we weren't asked about the other choices, and now

1 we're already putting money on the table for the
2 energy.

3 So I think that, you know, there's
4 already an example here of folks who want a certain
5 thing and we have been asked to cough up extra
6 money, but there's all the free riders in society
7 that get the benefits of the cleaner power and all
8 the other things that come from that. So, you know,
9 there is this example of, you know, how it's already
10 happening.

11 MR. BRUCE SHUPP: Skila?

12 DIRECTOR SKILA HARRIS: Thank you
13 very much. This discussion has helped me understand
14 why you're so confused, but I can't say it's brought
15 a lot of clarity for me, but I actually -- first of
16 all, I did not totally understand. I thought I was
17 going to be called on -- when I was stressing while
18 ago, I thought you were going to ask me to talk
19 about equity, and I thought, oh, no, I mean, you
20 know, but now that I know that it's you-all talking
21 about it, then I am much more comfortable.

22 One of the specifics of the dynamics
23 that we're in right now and one of my questions
24 about what is equitable really goes to the fact that
25 we have communities paying cost sharing for weed

1 control management, whatever. The only place that
2 we don't have cost sharing is Guntersville.

3 And part of my question about what's
4 equitable is not only, you know, in the future, but
5 right now to me I have -- I'm struggling with that.
6 I'm struggling very much with the fact that we don't
7 have a consistent policy. And, I mean, is there
8 any -- I mean, was there any discussion of that
9 particular specific or --

10 MR. BRUCE SHUPP: I would just like
11 to comment, and again, reminding all of you that I
12 am biased because I'm on the Guntersville
13 stakeholders' committee that helped develop the
14 Guntersville management plan, which we're very proud
15 of, but I'm also an advocate for the local funding
16 and I stand out like a sore thumb in that group
17 because I am the only one that feels that way.

18 My feeling is that the reason --
19 there's a couple of reasons they're so resistant to
20 it. No. 1 is historically. From the '60s through
21 the -- through the late '80s TVA was spending, on
22 equivalent terms, more money and more effort to
23 eradicate, eradicate, not manage or control,
24 eradicate the milfoil that was there, there was only
25 one exotic species at that time, to eradicate that

1 milfoil in that lake, and it was doing, you know,
2 almost -- it was the advocate for doing that, to
3 help itself in the management of that reservoir, as
4 I understand the history of that program.

5 They didn't ask the local government
6 to spend a nickel for it. They were trying like
7 crazy to get rid of all the weeds, and then gave it
8 up because it was a losing battle and there was some
9 controversy involved. So that was the first thing.

10 The second thing is that they -- they
11 don't see any benefit to them contributing. What is
12 the benefit to them contributing? And I think
13 that's TVA's role to convince them there are
14 benefits, that if you are a partner, you make it
15 more difficult for us to back out of this process
16 for any reason we may have policy-wise or
17 revenue-wise. Fiscal problems could force us to
18 back out completely unless you're a partner.

19 So I think that there has to be
20 salesmanship involved and statesmanship to convince
21 those people who are dependent upon TVA's plant
22 management for 30 years, that they should now all of
23 a sudden become a partner in that. I think they are
24 really good people and I think they could be
25 convinced of that.

1 Right now they feel there is no
2 reason for them to try to raise money and it would
3 be difficult to raise money, and the federal fathers
4 that protect them are telling them they don't have
5 to raise money. So, I mean, there's -- it's a very
6 difficult situation, and like I say, statesmanship
7 is going to be required to get them to contribute.

8 I don't think you can politically say
9 we're only doing half and you do the rest. I think
10 that would be the wrong technique. I think the
11 technique would be to convince them that it's in
12 their interest to come up with a revenue raising
13 plan for lake management, and I think it can be
14 done. It's been done in other states, there's ways
15 to do it, and they could raise that revenue.

16 DIRECTOR SKILA HARRIS: I'm a little
17 inclined and -- but not quite as far as Paul, I
18 mean, I haven't gone as far as you have, but I --
19 I'm look for a solution and I know -- and Bruce has
20 been tutoring me on this, I mean, but to me, to have
21 a reoccurring expense that even extends beyond my
22 term actually, forever maybe.

23 MR. BRUCE SHUPP: Correct.

24 DIRECTOR SKILA HARRIS: I would --
25 and maybe where we need to go is to -- I would

1 rather make an investment in a solution --

2 DR. PAUL TEAGUE: Amen.

3 DIRECTOR SKILA HARRIS: -- or working
4 toward a solution, now -- and that's why I'm eager
5 to pursue what's happening in research, what
6 possible options that may exist out there to fix the
7 problem instead of -- I would rather spend my money
8 that way than having this endless management control
9 cost, and maybe that's a more appropriate role for
10 TVA, I don't know.

11 Obviously we're still struggling with
12 this and it is -- it's really a dilemma to how to
13 address this problem, and if what has happened in
14 the past -- now, obviously it's been exacerbated by
15 the conditions recently. And Stephen, I appreciate
16 what you say, but, you know, low -- I mean, low
17 rainfall is a huge contributor to this.

18 DR. STEPHEN SMITH: Sure. So is
19 nutrient loading.

20 DIRECTOR SKILA HARRIS: Exactly.

21 DR. STEPHEN SMITH: That's what I'm
22 saying, you can't control the weather but you can
23 come up with policies that try to do something about
24 nutrient loading.

25 DIRECTOR SKILA HARRIS: Well, I'm not

1 sure -- anyway, we can talk about that, but what
2 I'm -- I'm just looking for something, because what
3 I'm fearful of is that more and more reservoirs are
4 becoming infected, more and more -- and for you to
5 talk about, Paul, driving back to Chattanooga and
6 seeing all of the aquatic growth all the way up
7 there, even if we did eradicate it in Gunter'sville,
8 it's just going to reinfest itself now, you know,
9 this is endless.

10 DR. PAUL TEAGUE: You don't wipe it
11 up.

12 DIRECTOR SKILA HARRIS: Yeah. I
13 mean, to me an option of eradication in one
14 reservoir is a non-answer because it will float back
15 and, you know, we can't eradicate it throughout the
16 Tennessee River system, I mean, we just can't do
17 that.

18 MR. BRUCE SHUPP: Ms. Chairman,
19 eradicating with grass carp is a bad -- eradicate to
20 me means remove it from the system. What grass carp
21 would do is they are an animal lawnmower. They
22 don't eradicate it, they eat it down to within a
23 short distance off the bottom, and as they die off
24 it grows back up. So it's not really eradication,
25 it's management with an animal tool, is what it

1 amounts to.

2 SENATOR ROGER BEDFORD: Thank you,
3 Mr. Chairman. I think this goes back, Skila, to one
4 of the reasons that part of the report contained
5 that we wanted to look for uniformity among the
6 states in trying to enact standards. I think that
7 was the natural outgrowth of trying to have --
8 instead of different ways in different states, but
9 I'm -- the thing that intrigued me was your comment
10 about other water systems paying for weed control,
11 because that's the first time I have heard that.

12 DIRECTOR SKILA HARRIS: When did I
13 say that?

14 SENATOR ROGER BEDFORD: Just a minute
15 ago when you were talking about --

16 DIRECTOR SKILA HARRIS: Oh, I'm
17 sorry. Oh, yeah.

18 SENATOR ROGER BEDFORD: What I would
19 be interested in is, do you-all use the same method
20 with each one of the water systems and what are
21 those methods and when were they enacted and what do
22 they share, because that's new information to me?

23 DIRECTOR SKILA HARRIS: You didn't
24 know that at the other reservoirs they --

25 DR. KATE JACKSON: They are the same

1 methods. The problem is much less significant
2 because the acreage covered is much less. We use
3 the same stakeholder process that we use in
4 Gunterville, and there are people stepping up to
5 the table to do some cost sharing, both local
6 governments and also private landowners. It's not
7 on the order of hundreds of thousands of dollars,
8 it's thousands of dollars.

9 SENATOR ROGER BEDFORD: I think
10 that's --

11 MR. PHIL COMER: Is it the same weed?

12 DR. KATE JACKSON: Same weed.

13 SENATOR ROGER BEDFORD: Well, I think
14 that would be information that would be useful to
15 us, because maybe I missed that meeting, but I
16 haven't heard that or seen a paper on that.

17 DIRECTOR SKILA HARRIS: And that to
18 me represents a huge challenge.

19 SENATOR ROGER BEDFORD: I agree with
20 that and I agree with an equitable approach to
21 having cost sharing, but I would be interested -- do
22 you have the same approach and the same formula
23 right now in each one of the reservoirs that you use
24 it in?

25 DR. KATE JACKSON: We don't have a

1 formula. We have the same stakeholder approach. I
2 mean, different -- even on one reservoir, Pickwick,
3 for example, different ends of the reservoirs, the
4 stakeholder groups -- there are two different
5 stakeholder groups, they want very different things.
6 Some want more weeds, some want less weeds, some
7 want more cost share, some want less.

8 So what we do is we use that same
9 process that we have used, prioritizing what the
10 issues are, prioritizing how it's going to work,
11 providing technical assistance where we can, and
12 then do some of the work ourselves, work through
13 contractors.

14 SENATOR ROGER BEDFORD: Well, give me
15 an example of who pays what.

16 DR. KATE JACKSON: There are a couple
17 of local governments. I guess -- I would suggest we
18 talk about it off line. There are a couple of local
19 governments, a city and a county, and then there are
20 some private landowners who are stepping up and
21 doing some of their own work, either paying for
22 contractors or spraying themselves if they happen to
23 be certified.

24 MR. BRUCE SHUPP: Skila, do you have
25 enough now to at least go back and talk about

1 equitable? We aren't going to answer the question.
2 We could talk about it for three weeks and we
3 wouldn't answer the question, but do you understand
4 the struggles that this group is having?

5 DIRECTOR SKILA HARRIS: I share your
6 pain.

7 MR. BRUCE SHUPP: We have got to wrap
8 this session because they have got to catch a plane
9 back to Knoxville. So what I would like to do now
10 is break and say goodbye to Skila and Kate, and
11 thank you very much for coming.

12 DR. KATE JACKSON: And Janet is going
13 to take over for me, and I will be back later
14 tonight and I will be here in the morning.

15 MR. BRUCE SHUPP: Let's take ten
16 minutes, ten quick minutes.

17 (Brief recess.)

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2 MR. BRUCE SHUPP: Before we get
3 started on the rest of the agenda, I would like to
4 ask anybody in the room that's going to be making a
5 comment during the public comment section to
6 identify themselves, please.

7 There's no one that has indicated
8 that they will make public comments. The reason I
9 asked was I would like to have them register so we
10 know how many there would be, and so far there is
11 none. So let's put that on the record at this
12 point.

13 We will recheck at 4:00. There might
14 be some coming at 4:00, we will recheck then, but if
15 there's none we will just keep moving on with the
16 agenda.

17 Right now we're on with the Ocoee
18 water releases from the integrated river management
19 subcommittee.

20 Roger Bedford?

21 SENATOR ROGER BEDFORD: Thank you,
22 Mr. Chairman. We have two items we would like to
23 report to the Council for their consideration. The
24 first of these dealt with a report that Tom gave us
25 earlier dealing with navigation and water levels

1 that we would ask to be considered; and that is,
2 currently the Kentucky lake pool, as I understand
3 it, is at 354 feet, and Tom had asked the Council to
4 consider recommending only drawing down the lake to
5 355 feet to improve the tail water navigation, in
6 particular around Pickwick, as I understand it, and
7 it was something that our subcommittee reached a
8 unanimous consensus on and wanted to recommend to
9 the Council.

10 The second item dealt with a
11 particular look at the upper Ocoee, as well as the
12 middle Ocoee, and they found that the work by TVA
13 and the local partnership had been a good success on
14 the lower Ocoee but the upper Ocoee still had open
15 questions about the role of TVA and its assistance.

16 And so the -- the subcommittee and
17 any of the members, as always, will be able to speak
18 for themselves, came to a consensus on the fact that
19 we wanted to request TVA to look at the upper Ocoee
20 as part of their study, to do a cost benefit
21 analysis as part of that study and to include a net
22 look at it.

23 And we specifically wanted to ask
24 them to include, as part of their research, studies
25 that already exist, such as the final environmental

1 impact statement that was done on the upper Ocoee
2 River earlier and the study that is being developed
3 by the Copper Basin Economic Development
4 Association, and that is the consensus that was
5 reached. And we would ask in short, Mr. Chairman,
6 that the upper Ocoee be included in the study with
7 its cost benefit analysis.

8 MR. BRUCE SHUPP: So instead of
9 coming out with a formal policy recommendation for
10 the Ocoee, you're recommending that it be included
11 in the -- our -- in the ROS study?

12 SENATOR ROGER BEDFORD: Yes, sir.
13 That goes back to the earlier question we asked
14 about how much specificity the Council wants and how
15 much really the TVA Board itself wants from our
16 group and our mission and our Charter.

17 MR. BRUCE SHUPP: Are you ready for a
18 discussion on your recommendation?

19 SENATOR ROGER BEDFORD: Excuse me.
20 Austin Carroll, and it is included in your report,
21 has some notes from the IRM subcommittee meeting
22 with the Ocoee outfitters dated September 28th,
23 2001. It had been the unanimous recommendation that
24 these notes, which are very informative and very
25 level in their approach to the issue, be included as

1 an official part of the minutes as background.

2 MR. BRUCE SHUPP: I misspoke when I
3 said, are you ready for a discussion on your
4 recommendation, I meant questions on your
5 recommendation.

6 Any questions for Roger or
7 subcommittee?

8 As with our normal policy, we discuss
9 that tomorrow after public comments and then make
10 our recommendations.

11 SENATOR ROGER BEDFORD: And we would
12 include within that, again, the discussion about
13 keeping the water level draw-down only to 355 on the
14 Kentucky Lake.

15 MR. BRUCE SHUPP: Can you have those
16 recommendations in writing for us tomorrow so that
17 we could have them in front of us?

18 SENATOR ROGER BEDFORD: Certainly.

19 MR. BRUCE SHUPP: I think it would be
20 best if we did that.

21 SENATOR ROGER BEDFORD: I'll ask my
22 able secretary, Phil, to join me.

23 MR. BRUCE SHUPP: That's what Sandy
24 is here for, she's here to serve.

25 MR. PHIL COMER: I'll meet you at

1 4:30 in the morning and we'll work on them.

2 MR. THOMAS GRIFFITH: But not after
3 8:30 tonight?

4 MR. PHIL COMER: Huh?

5 MR. THOMAS GRIFFITH: But not after
6 8:30 tonight?

7 MR. PHIL COMER: No, sir.

8 DR. PAUL TEAGUE: We'd like you to do
9 like you did at Guntersville and oversleep.

10 MR. BRUCE SHUPP: Mr. Barnett, are
11 you ready for your subcommittee's recommendation?

12 MR. JIMMY BARNETT: Yes, sir, I am.

13 MR. BRUCE SHUPP: All right. Go
14 ahead.

15 MR. JIMMY BARNETT: We have a
16 recommendation on improving biodiversity in the
17 Tennessee River system. I had sent the Council a
18 letter earlier that also gave you a copy of one of
19 the River Views -- River Neighbors magazines that
20 had an excellent article on biodiversity, and I
21 thought that would be good information for you
22 before you came, assuming you read it, of course.

23 I won't go into all of the background
24 that is listed here because all of you can read and
25 probably already have read. One comment before I

1 get to the recommendation that I would make is that
2 I was interested to learn of the great diversity
3 that we have here in the Valley, particularly around
4 the Tennessee River as far as different organisms, I
5 guess, I would call it.

6 MR. PHIL COMER: Critters.

7 MR. JIMMY BARNETT: Critters, okay,
8 that's a good word. And it surprised me, I didn't
9 realize we were that diverse, more diverse than
10 anywhere else in the state, I understand.

11 The water quality subcommittee
12 specifically wanted to take this particular thought
13 in mind and come up with a recommendation, and the
14 recommendation, which is at the end of the document
15 that you have in front of you, is that we affirm the
16 importance and priority of protecting the Tennessee
17 River's existing aquatic biodiversity and restoring
18 insofar as possible its historical biodiversity.
19 Notice we said, insofar as possible.

20 We do have seven specific actions
21 that we recommend, that we maintain the current
22 level of biodiversity in the Tennessee River system
23 by meeting its obligations, which are federal in
24 nature, the Clean Water Act and Endangered Species
25 Act, and by continuing its existing efforts on

1 behalf of native species biodiversity and by
2 adopting a no-net-loss policy for native species.

3 We had some discussion on the
4 no-net-loss policy, which I assume we'll discuss --
5 or could discuss later, if anyone wants to discuss
6 it, but a lot of these things are covered under the
7 Clean Water Act and Endangered Species Act.

8 No. 2, to improve the biodiversity of
9 the Tennessee River system by considering native
10 species habitat needs when planning and implementing
11 river operations and through the use of TVA
12 regulatory tools.

13 No. 3, to partner with other
14 agencies, organizations, and stakeholders to
15 identify needs and implement strategies that would
16 improve biodiversity.

17 No. 4, to initiate planning and
18 actions for the improvement of biodiversity by
19 taking the leadership role with its partners in the
20 Tennessee Valley, that's totally inclusive when we
21 say partner.

22 No. 5, manage TVA's lands and waters
23 as examples of responsible stewardship that protects
24 and/or improves the region's biodiversity.

25 No. 6, sustain TVA's preeminent

1 ecological expertise and data collections and
2 preserve TVA's institutional memory by documenting
3 the history of TVA's ecological contributions to
4 science and the Tennessee Valley.

5 No. 7, to engage in a public
6 awareness campaign to make Tennessee River Valley
7 residents aware of the extraordinary native
8 biodiversity of the region and TVA's stewardship
9 efforts.

10 Mr. Chairman, we submit those for
11 y'all's considerations.

12 MR. BRUCE SHUPP: Thank you.
13 Questions? Al?

14 MR. AL MANN: Will you elaborate on
15 what you mean by no-net-loss policy?

16 MR. JIMMY BARNETT: There's a certain
17 amount of biodiversity or species or critters, as
18 Phil says, that are out there, and each time one
19 dies out or is exterminated, either direction, if
20 it's died out, it's died out for a particular
21 reason, we're saying we would like to see TVA
22 operate its river system so that nothing dies.

23 MR. AL MANN: Is this cost effective?

24 MR. JIMMY BARNETT: Insofar as
25 possible.

1 MR. AL MANN: So educate me a little
2 bit. If someone is dredging or removing water to
3 get to a certain area, is this -- will this result
4 in a net loss of critters?

5 MR. JIMMY BARNETT: Conceivable. I
6 am going to yield to some experts, but TVA has a 26A
7 permitting process for structures in the river and
8 that helps them give permits or not give permits
9 according to the damage it might accrue from such a
10 structure being there.

11 There was a lot of talk of using that
12 particular 26A procedure to be even more restrictive
13 or at least a little more protective of what's going
14 on within the river system insofar as 26A would
15 apply.

16 MR. BRUCE SHUPP: Do you have any --
17 should we ask the author of the draft policy to
18 comment on that?

19 MR. JIMMY BARNETT: That's one of
20 experts I wanted to yield to.

21 MR. BRUCE SHUPP: Axel, would you
22 like to come up to the table? Axel Ringe, he was a
23 very active member of the water quality subcommittee
24 and the author of this draft.

25 MR. AXEL RINGE: Al, a no-net-loss

1 policy refers to the potential extinction of an
2 entire species. If, to use your example, someone
3 were doing some dredging or other disturbance work
4 in the river channel at a place where the only
5 population of a species existed in the world and
6 that disturbance work would result in the extinction
7 of that entire population, this policy that we are
8 recommending would prevent that. It is not the only
9 thing that would prevent that. The Endangered
10 Species Act would also prevent that on an entirely
11 different level, but we are not talking about the
12 destruction or removal of individuals. What we are
13 talking about is an entire species.

14 MR. AL MANN: Okay. You just said
15 something. You said that the Endangered Species Act
16 would prevent this. So if that's going to prevent
17 it, why are you trying to hang TVA with this?

18 MR. PHIL COMER: They already are
19 subject to that.

20 MR. AXEL RINGE: Are already subject
21 to that, that is correct.

22 DR. STEPHEN SMITH: It's an
23 affirmation.

24 MR. AXEL RINGE: Yeah.

25 MR. AL MANN: It's a backup, right?

1 DR. STEPHEN SMITH: Right. And it's
2 to encourage TVA in their policy planning and in
3 their implementation and actions, which they already
4 do to a certain degree. It's just basically to flag
5 this.

6 I mean, as a Regional Resource
7 Stewardship Council we think it's appropriate, when
8 we look at the list of things that we touch on, to
9 have recognized, affirmed, and encourage TVA to
10 value, protect, and follow the law in the way it
11 manages the resource so that we don't have -- you
12 know, so that we protect species that are literally
13 hanging on by a thread, and that's really what
14 we're -- all we're asking to do here. There's
15 nothing tremendously new about this as much as it is
16 an affirmation.

17 MR. AXEL RINGE: The other part of
18 that, Al, is that the Endangered Species Act kicks
19 in when a species is already in danger of becoming
20 extinct due to whatever reasons, whether they be
21 caused by humans or caused by natural processes.

22 Everybody that is involved in that
23 issue agrees that it is far preferable to have
24 policies in place that prevent a species from
25 sliding down to the point where they would

1 potentially become extinct, and that's what this
2 no-net policy hopefully would ask TVA to do, not
3 let, say, the Tan riffleshell mussel get to a point
4 where there is one population of 40 individuals at
5 one point in the river where any catastrophe could
6 wipe it out but to try to establish perhaps multiple
7 populations that are more -- that would be more
8 resistant to both the natural disturbances in the
9 world and to activities by people that might disturb
10 one or more of those populations.

11 MR. BRUCE SHUPP: Roger, question?

12 SENATOR ROGER BEDFORD: Thank you,
13 Mr. Chairman. I apologize for interrupting a minute
14 ago.

15 Al, I would see it as two-fold. One
16 is, of course, that if the Endangered Species Act is
17 changed so that it wouldn't cover this, this would
18 be a policy that TVA would have to follow to cover
19 that area.

20 And secondly, as I understand it on a
21 more practical implication, what you're saying then
22 is if there's two spots that only a particular
23 species exist in, that that would not be
24 prohibitive, that would not be a no-net because
25 there would still be an existing species home front,

1 so to speak, that would be in existence.

2 MR. AXEL RINGE: That's correct, yes.

3 MR. BRUCE SHUPP: Any other
4 questions?

5 MR. LEE BAKER: By chance, would it
6 change the intent of this, instead of saying insofar
7 as possible, which to me is rather, rather broad,
8 would it upset you if it said insofar as practical?

9 MR. AXEL RINGE: I would not prefer
10 it, but it wouldn't upset me. It would go back, I
11 think, to the question of how you define practical.

12 MR. LEE BAKER: Well -- and the term
13 practical does lend itself to interpretation. The
14 term possible, in my opinion, doesn't lend itself to
15 much interpretation. You know, possible is very
16 broad and very expensive. Practical adds some level
17 of thought process.

18 MR. AXEL RINGE: I guess if there was
19 some specificity articulated as to what practical
20 means, I would have no objection.

21 MR. LEE BAKER: I think that's --
22 when the incident arose, that's when that discussion
23 would occur as far as what the term practical would
24 mean. In my opinion, it would lend itself to be --
25 to be -- to be defined for each individual

1 circumstance as opposed to defined in advance. I
2 would prefer the term practical just in general
3 without further definition personally.

4 MR. BRUCE SHUPP: Lee, that gets into
5 our discussion tomorrow. Do you think you can make
6 that recommendation tomorrow as we finalize our
7 recommendation?

8 MR. LEE BAKER: I would be happy to.

9 DR. PAUL TEAGUE: The difference
10 between practical and possible can be summed up in
11 the Columbia Dam that was -- it wasn't practical to
12 destroy the Columbia Dam, but it was possible over
13 the snell darter that they found all over the river
14 later on.

15 MR. BRUCE SHUPP: Any more questions
16 for Jimmy and his committee, subcommittee?

17 Thank you. Mr. Chair, thank you.

18 Okay. I have been informed that we
19 have to wait until 4:00 to determine how many people
20 will be making public comments, but we have one
21 person right now, Mr. Paul Morris, are you here?
22 Paul, would you like to take the floor and make your
23 presentation?

24 MR. PAUL MORRIS: Thank you.

25 MR. BRUCE SHUPP: Mr. Paul Morris

1 from Benton, Kentucky.

2 MR. PAUL MORRIS: Are we on? Are we
3 on? There we go. Thank you. Thank you. I'm a
4 little floored to be asked to address you, I just
5 walked in the door. I thought this was at 4:00.

6 MR. BRUCE SHUPP: The early bird gets
7 the worm.

8 MR. PAUL MORRIS: I'll say. I'm Paul
9 Morris. I live at 101 Morris Lane, same name. My
10 address is Benton, Kentucky, 42025. I live in the
11 Aurora area. And as you probably well know, we just
12 finished our big Aurora Country Festival, which was
13 very successful. Thank you very much.

14 I'm part of the organization called
15 JAAC, J-A-A-C, which is the Jonathan Aurora Action
16 Committee. This organization has been in existence
17 for about 25, 26 years, and I'm here representing
18 them this afternoon because the president could not
19 attend.

20 Aurora is made up of many, many
21 motels, resorts, marinas, and people who depend on
22 the lake for a livelihood. I happen to be a
23 realtor, so I sell the lake properties, but it isn't
24 all that -- my livelihood does not depend on tourism
25 and the important things that these other people

1 depend deeply upon.

2 For years now -- I have lived here
3 ten years. I have owned my place 15 years. And for
4 years, off and on, we have addressed different
5 representatives of the TVA about the lake levels.
6 Usually they come to the Aurora area to discuss
7 other things, but we always kind of slip in a little
8 discussion about lake levels.

9 And one of the greatest comments that
10 I have ever heard was one time we were addressing
11 this and the TVA person said, well, he didn't know
12 anything about this, fine, but one of the -- one of
13 my cohorts said, you know what, I have lived here
14 all my life, and I have yet to see a flood in the
15 fall. Floods usually come in the spring, which you
16 can expect. His approach was that, why is it
17 necessary to start July the 7th, which is the heart
18 of the tourist and boating season and fishing season
19 and drop the lake. For a number of years we have
20 been told, quote, unquote, that's the way we have
21 always done it.

22 Well, I give you an example. I think
23 our modern technology has changed that. I had a
24 friend that checked the powerhouse one day and
25 asked, how does this work, and the fellow said,

1 well, it's all automatic, don't worry about it, but
2 he says, I have got a phone call the other day there
3 was a barge on a sand bar on the lower Mississippi
4 stuck. And the phone call says, lower the lake --
5 lower the gates 1 inch for 14 hours or something
6 like that and we need water. So that bubble of
7 water went down the Tennessee to the Ohio to the
8 Mississippi, floated the barge off, and everything
9 was wonderful after that.

10 Now, if we have such control over the
11 water levels, why is it so necessary to go from 359
12 in June and early -- actually early July by
13 Thanksgiving -- well, as a matter of fact, a month
14 ago we were already at 359.8 -- I mean, 355.8 --
15 354.8, I'll get it, 354.8, during the most beautiful
16 time of the year for boaters.

17 I'm not a fisherman, so I can't
18 approach that topic, but I talk to enough of them,
19 and they, likewise, would enjoy a little higher
20 water, especially when their outdrive hits a stump
21 and rips it off the rear of the boat, that kind of
22 hurt them a great deal.

23 I don't know why we can't leave the
24 lake -- if you must stop it, I understand, why we
25 can't go to 357, 356.5, and just leave it until

1 spring, let's say, or dead of winter, and let's say
2 Christmas, go ahead and drop it to 354.5, which is a
3 normal winter pool, and then leave it and wait for
4 the spring rains.

5 Every time -- like I said, I have
6 lived here 10 years and owned my place 15 years,
7 every spring, it seems like, automatically April 1
8 the lake starts up. By April the 10th we are over
9 359. I have seen it as high as 361.5, which is very
10 high. So the automatic raising of the lake does not
11 necessarily cease the flooding that I understand the
12 lake was built to combat.

13 Why can't we just leave it during the
14 fall season, the dead of winter lower it to whatever
15 you want? I know you need 9 feet of water at the
16 seal, at the locks, so lower it to 354.5, and have a
17 nice winter because no one, you know, bothers with
18 the lake during the wintertime.

19 Although, it seems like all winter I
20 see fishermen out in front of my home in the dead of
21 winter, I can't understand that, but that's just the
22 way they are. They are a hearty group.

23 I want to thank you for the
24 opportunity to address you, and if we can do
25 anything in the Aurora area to help you make up your

1 mind or whatever you will be doing, we would be
2 happy to do so.

3 MR. BRUCE SHUPP: Could you stay for
4 some questions?

5 MR. PAUL MORRIS: I'm sorry?

6 MR. BRUCE SHUPP: Could you answer
7 some questions?

8 MR. PAUL MORRIS: Yes.

9 MR. BRUCE SHUPP: Any questions for
10 Mr. Morris? I have one.

11 Are you aware that we have been
12 talking with this Council for the last two years
13 about the tributary reservoir lake levels, and
14 there's a study proposed to study the lake levels,
15 whether it's feasible to change lake levels on the
16 tributary reservoirs, which fluctuate 40, 50, 60
17 feet, are you aware that's been --

18 MR. PAUL MORRIS: No, I'm not aware
19 of it, and most of my people -- cohorts in the area
20 are not aware of that.

21 MR. BRUCE SHUPP: Well, we have been
22 doing that. We have been talking about that in some
23 depth, but we haven't talked about that I recall,
24 correct me if I am wrong, any of the main stem
25 reservoir lake level issues.

1 MR. PHIL COMER: They are included in
2 the new study.

3 MR. BRUCE SHUPP: They are included
4 in the new study?

5 MR. AL MANN: Yeah.

6 MR. BRUCE SHUPP: Oh, I didn't know
7 that. So they would be included in the new study?

8 MR. PHIL COMER: Yes.

9 MR. BRUCE SHUPP: All right. One
10 more question, Roger, and then I'll give it to you.
11 You're talking about a fluctuation on a basis here
12 of about 4 feet, is that correct, on an annual
13 basis?

14 MR. PAUL MORRIS: That's exactly
15 right, 4 and 1/2 feet in most cases.

16 MR. BRUCE SHUPP: I'm from Alabama
17 and I fish the Alabama reservoirs and boat a lot of
18 Alabama reservoirs, and fluctuations of 4 to 5 feet
19 are not considered a problem.

20 Why is that a problem here on
21 Kentucky Lake?

22 MR. PAUL MORRIS: Well, it's a
23 problem because by the time you have dropped to 455,
24 let's say, most of the marinas can't get back and
25 forth. They end up with planks and stuff that -- to

1 get to the -- and the boaters have to go over these
2 planks and things just to get to their boats, and it
3 causes problems in that a lot of the tourists and
4 the boaters stay out of the lake because it becomes
5 very dangerous, especially if you're not familiar
6 with the lake. I am, so I don't really worry about
7 that, but I have churned a little mud once in awhile
8 myself.

9 MR. BRUCE SHUPP: So a lot of the
10 development is back in the creeks and the marinas
11 are back in the creeks so that a 4 or 5 foot drop is
12 very significant?

13 MR. PAUL MORRIS: No. For instance,
14 I live on Jonathan Creek, and there are three -- two
15 marinas on Jonathan Creek, Town & Country and
16 Sportsmen's, and I know that Town & Country
17 specifically has had problems getting to the -- from
18 the parking lot to the boat docks. Sportsmen's just
19 remodeled everything, so I don't think they have
20 that problem anymore. They used to, but I think
21 they tried to solve it.

22 It's just a matter of logistics.
23 What is the reason -- we have heard things in Aurora
24 like, well, we lower the lakes so that certain
25 grasses can grow so the Gooney birds will have a

1 place to eat, pardon me, but we're dealing with
2 people's lives and livelihood here. I don't even
3 know what a Gooney bird is, and I don't really care
4 either.

5 MR. BRUCE SHUPP: Roger, you had a
6 comment.

7 SENATOR ROGER BEDFORD: Mr. Chairman,
8 you captured one of my questions with the difference
9 between what we have heard where it drops 70 feet in
10 some areas as compared to four or five.

11 One of the things that we have been
12 discussing, and Mr. Morris, I would be interested in
13 your thoughts on this, the whole question of cost
14 benefit analysis and all, and obviously it costs
15 something to keep the lakes up higher and longer
16 into the season.

17 What are your thoughts -- I'm not
18 trying to put you on the spot, but we have been
19 going through this with a lot of public comments.
20 What would be your thoughts about the responsibility
21 of someone who wants to keep it up purely for
22 recreational purposes and benefits those and would
23 cost power on down the system?

24 In other words, do you think that if
25 the lake level pools stay up longer to benefit you,

1 and I mean you collectively, that there would be
2 some type of corresponding responsibility to offset
3 that cost to the rateholders or ratepayers down the
4 line?

5 MR. PAUL MORRIS: Well, as you may or
6 may not know, there are two power plants being built
7 in Calvert City as we speak. Now, they are there
8 for a reason. They see a need to fill power
9 supplies.

10 Now, if you're dropping the lake to
11 generate power, which, by the way, when the dam was
12 built and Congress approved it, it was a tag on to
13 the bill in '42, '43, whenever that happened -- I'm
14 sorry, in the late '30s, and people evidently saw a
15 chance to generate power, and thank goodness,
16 because the West Kentucky area in those days not
17 only needed jobs, they didn't have electricity.

18 I came from a metropolitan area, and
19 I have never even known people who didn't have
20 electricity, but I saw -- I see the need then, but
21 now the way -- the network of the wiring and
22 everything, I see no need to worry about generating
23 power. If so, why don't we say so and let it be,
24 let people understand that. You rarely hear that
25 from anybody, at least in the meetings that I have

1 attended.

2 SENATOR ROGER BEDFORD: So you would
3 think that there should -- if you receive that new
4 benefit that there should be no costs associated
5 with it?

6 MR. PAUL MORRIS: Well, if you're
7 talking negative income as cost, is that your
8 approach? It sounds like it.

9 SENATOR ROGER BEDFORD: Well, we're
10 trying to look at the whole benefit cost analysis
11 proposition as part of TVA's study, and one of the
12 issues that's bantered about, and some do it in
13 terms of the flood control, others with the
14 benefit -- in other words, it's easy for me to say,
15 well, you bought that lot, you knew the lake was
16 dropping 5 feet, some people where they lose 70 feet
17 would take 5 feet as a blessing and say thank you.

18 There's a cost associated though with
19 keeping that lake pool up higher and longer to
20 provide that recreational or social benefit to the
21 property owner. Do you think, and I mean you
22 collectively, that if you receive a new benefit by
23 keeping the lake pools higher and longer which cost
24 shifts to someone else that there's any
25 responsibility to the stakeholders who receive that

1 new benefit to be equitable just to the others who
2 have incurred an additional cost?

3 MR. PAUL MORRIS: Well, I don't think
4 a discussion like this has occurred with anyone that
5 I am aware of, the fact that TVA is losing revenue
6 by not generating. Granted, in late July and August
7 during the height of our heat, there are needs for
8 more generation, we recognize that, but if -- surely
9 the way our country is set up now, as you well know,
10 everybody buying power from each other and going
11 into hot spots and what-have-you, I think that's
12 kind of an old hat thinking and an old hat attitude
13 about supplying power and demand for power. I
14 just -- that's what most of my cohorts feel.

15 SENATOR ROGER BEDFORD: And I don't
16 want to belabor the point, I'm going to quit after
17 this, but assume for a minute that the assumption is
18 correct, that if you leave your lake level up higher
19 and longer for your benefit that it shifts a cost to
20 someone else that's a TVA stakeholder, is that your
21 responsibility or concern?

22 MR. PAUL MORRIS: Well, I have never
23 heard that approach, and I don't think any of my
24 cohorts have heard that approach. I don't think
25 anyone wants to divert and put a burden on other

1 citizens in the watershed that we are willing to
2 bear ourselves. I don't think that's the attitude
3 whatsoever. I don't think that I have never heard
4 it explained the way you have just explained it
5 either, and maybe that needs to be further
6 explained.

7 MR. BRUCE SHUPP: I'm going to save
8 you from any more questions because we have got four
9 more people that have to speak. So I thank you very
10 much for your statement. Thanks for coming. I
11 appreciate it.

12 MR. PAUL MORRIS: Thank you.

13 MR. BRUCE SHUPP: Next is Royce
14 Templeton, Marshall County Chamber of Commerce.

15 MR. ROYCE TEMPLETON: Good afternoon.

16 MR. PHIL COMER: What is the name?

17 MR. ROYCE TEMPLETON: My name is
18 Royce Templeton. I'm here on behalf of the Marshall
19 County Chamber of Commerce. First of all, let me
20 thank you for this opportunity of coming together
21 and speaking to this group. Let me -- me and my
22 fellow members thank you for this opportunity to
23 talk about the draw-down schedule on the lake.

24 Let me start with a few comments
25 about the tourism industry in Marshall County. Last

1 year, the year 2000, tourism brought in over a
2 hundred and seven million dollars into Marshall
3 County's economy, making Marshall County's tourism
4 the No. 2 industry. Tourism employs 2,400 people in
5 Marshall County alone.

6 The tourism industry loses millions
7 of dollars each year due to the early draw-down
8 schedule simply because, as an example, the resorts
9 will no longer rent out their boats or houseboats
10 simply because of the damage that is sustained in
11 the lower ends to the motors and the hull damage to
12 the boats.

13 The low water level causes many
14 boaters to run aground, of course, causing propeller
15 damage, and many times members of our committee have
16 been told by tourists that they'll simply not be
17 back because of the damage that's been caused to
18 their boats.

19 Because of the early draw-down
20 schedule of the lakes, we have a limited tourism
21 season here. Many seasonal employees are laid off
22 early because the resorts operate on a very limited
23 schedule. We have to shut down before our season is
24 actually up.

25 As an example of this, the water

1 level on Labor Day is very low, and it's the last
2 major recreational holiday of the year. Our climate
3 is still very warm on Labor Day, and because of our
4 central location many people travel to our area on
5 the weekends to take advantage of the lake
6 activities.

7 However, due to the low water levels
8 we hear more complaints of damage to props in the
9 lower ends at this time than any other time of the
10 year. Millions of dollars are lost in revenue
11 simply because we're forced to close down our
12 resorts too early due to the low water levels.

13 The fall season is a great time of
14 year for the fishermen and for families to come and
15 see the fall foliage along Kentucky and Barkley
16 Lakes. It's a beautiful site if you have ever been
17 out on the lakes and experienced that fall foliage.

18 As an example of that, I think that
19 we can look at the number of tourists that travel to
20 Gatlinburg every year just to see the fall foliage.
21 Fall's a great time of the year for fishing and our
22 tourist season could easily last through the end of
23 October.

24 It hurts tourism during the school
25 fall break because the resorts are simply closed

1 down. Now we have -- the schools have a two-week
2 vacation period at the first of October. We have
3 also talked to many residents around the lakes that
4 have summer homes or that are year-around residents
5 that are forced to pull their boats out of the water
6 by Labor Day or shortly thereafter simply because
7 the water level goes so low they can't get their
8 boats off of their lifts. Many of these people go
9 by way of water to restaurants. Of course, they
10 fuel their boats at the resorts. They fish or they
11 simply pleasure ride. This is no longer possible
12 when the water level gets that low.

13 As you can see, the trickle-down
14 effect in lost revenue across the board is huge to
15 many businesses. We realize that the lakes were
16 originally built for flood control, electrical
17 power, and irrigation. However, over the last 50
18 years water recreation has become a major economic
19 factor in our region.

20 We would like the Regional Resource
21 Stewardship Council to incorporate recreation into
22 the lake level draw-down plan. Keeping the water
23 level up longer will not only help Marshall County
24 economy but the whole Tennessee Valley area in jobs
25 and add millions to local economies.

1 One thing for certain is about
2 business, is that -- and that is, all things change,
3 and we must change with it or we will all get left
4 behind. Keeping the water levels up can be a
5 win/win situation for all parties. Tourism will
6 increase. Resorts can remain open longer.
7 Restaurants and motels will benefit as well. The
8 fishermen will be happy. TVA will sell more
9 electricity. Everybody wins.

10 Everything that needs to be done is
11 already in place. We just need to work together to
12 make a few changes that will benefit everyone, and
13 we would like to see the water levels remain up
14 until the end of October, which leaves plenty of
15 time to get ready for high water in the spring of
16 the year. Our ultimate goal is to see the water
17 levels stay up longer so that we can promote the
18 economic benefit to our entire region.

19 I have letters with me from local
20 state and county officials, five Senators, nine
21 State Representatives, four Mayors, one County Judge
22 Executive, and many other interested parties
23 concerning the lake levels, and I will leave these
24 letters with you for your review. And I hope that
25 this meetings today can lead to open and frank

1 discussions in the future regarding the draw-down
2 schedule on Kentucky and Lake Barkley.

3 Thank you.

4 MR. BRUCE SHUPP: Thank you.

5 Questions? Austin?

6 MR. AUSTIN CARROLL: Mr. Templeton,
7 we appreciate you coming before the Council today
8 to -- I am going to make sure that we have our facts
9 straight and ask TVA when the draw-down of Kentucky
10 Lake starts.

11 MS. JANET HERRIN: July 5th.

12 MR. AUSTIN CARROLL: It starts the
13 5th. Okay. I was under the impression -- is that
14 just the tributary lakes that started August 1st?

15 MR. PHIL COMER: Yes.

16 MS. JANET HERRIN: (Moves head up and
17 down.)

18 MR. AUSTIN CARROLL: Okay. So at the
19 Labor Day, how much would it have dropped? Do we
20 have a feel for that?

21 MS. JANET HERRIN: I don't know off
22 the top of my head.

23 MR. ROYCE TEMPLETON: About 356 at
24 Labor Day. I think that's the -- it's low enough on
25 Labor Day that there is a lot of damage sustained to

1 boats. And I am in the retail business, a lot of
2 people come in and deal with us, and we hear an
3 awful lot of damage that they have -- that has
4 happened to their boats in the lower ends and they
5 simply just say, "We won't be back."

6 MR. AUSTIN CARROLL: Mr. Templeton,
7 this Council has made certain recommendations to
8 TVA, and one of the primary recommendations that we
9 have made is that they update their reservoir plan
10 and they have -- TVA has agreed to accept that
11 recommendation and will be doing a reservoir
12 operation study over the next two years, and it will
13 incorporate a look at those kinds of factors that
14 you mentioned.

15 I would challenge you and other
16 people in the area to become engaged in that
17 process, and TVA should be providing some public
18 information about hearings and so forth and take
19 that into consideration.

20 MR. ROYCE TEMPLETON: We will. We
21 will be working actively through our Chamber, and we
22 will do naturally what we can on our end.

23 MR. BRUCE SHUPP: Any more questions?
24 Roger?

25 SENATOR ROGER BEDFORD: First off,

1 let me thank you for coming before us and bringing
2 the views of so many of your members. And I'm going
3 to ask you the same thing I asked Mr. Morris, if TVA
4 altered its policy and left Kentucky Lake levels up
5 to the normal pool level -- summer pool level until
6 the end of October, obviously that's going to cost
7 shift something on down the line to other
8 ratepayers, in effect, the operation, is there any
9 kind of equitable interest or cost that you, as
10 stakeholders in this area, should adjust for the
11 other stakeholders that would have to bear the costs
12 that's shifted?

13 MR. ROYCE TEMPLETON: I'm really in
14 agreement with Paul Morris on that. What I would
15 like to know is what those costs are. Being at the
16 end of the system and our water goes directly into,
17 of course, the Kentucky -- into the Tennessee River
18 and on into the Ohio, we would like to know what
19 those costs would be.

20 SENATOR ROGER BEDFORD: Well, I
21 understand that, and we would, too. That's
22 something from the 70 foot droppers to the 5 foot
23 droppers they are trying to figure out, and that's
24 one of the things this Council is recommending is a
25 cost benefit analysis as part of the study.

1 Assume for a moment that there is, do
2 you feel like you have any equitable obligation?

3 MR. ROYCE TEMPLETON: Well, I would
4 think that if the water levels could be maintained
5 on the lake, the simple increase that would come in
6 tourism dollars alone would offset a lot of that
7 expense.

8 SENATOR ROGER BEDFORD: To TVA?

9 MR. ROYCE TEMPLETON: Even TVA should
10 benefit. I mean, if they are going to be selling
11 more electricity and more taxes are going to be
12 paid, I believe everybody would benefit from that,
13 but to answer your question, I would like to know
14 what those costs are, you know, before -- you're
15 asking me a hypothetical and --

16 SENATOR ROGER BEDFORD: Well, assume
17 hypothetically I could put on that chart it costs
18 this much for your benefit, just assume that for a
19 moment.

20 MR. ROYCE TEMPLETON: Right.

21 SENATOR ROGER BEDFORD: Is there any
22 obligation on the people who are receiving the new
23 benefit that adjusts -- that shifts that cost then
24 to someone else, incurs a cost for new benefit, is
25 there any -- what are your thoughts, and the people

1 you represent, about whether you have any obligation
2 to pay for that in any manner?

3 MR. ROYCE TEMPLETON: Well, I would
4 think if it would -- if you're talking about a rate
5 increase, is that what you're talking about?

6 SENATOR ROGER BEDFORD: No. I'm
7 exploring --

8 MR. PAUL MORRIS: Businesses or the
9 Chamber or where are you expecting these dollars to
10 come from?

11 SENATOR ROGER BEDFORD: I'm asking
12 you. You're saying -- just assume with us for a
13 minute that you would receive a new benefit, you
14 being collective, like I was talking to Mr. Morris
15 about, by keeping the pool at a certain level by the
16 end of October.

17 MR. ROYCE TEMPLETON: Right.

18 SENATOR ROGER BEDFORD: And it cost
19 X, do you feel like there's any obligation for the
20 stakeholders that are receiving the new benefit to
21 share in any of the costs?

22 MR. ROYCE TEMPLETON: Well, of
23 course, I can only speak for myself, you know, on
24 that, and I know as far as I am concerned if the --
25 if that could be arranged and we could see what kind

1 of dollars we're talking about, I know I personally
2 would be willing to share in that cost, you know. I
3 think that would be foolish for us to try to put all
4 of that cost off on the TVA, but I think what we do
5 need to do, to answer your question, is find out
6 what those costs are, and indeed, what it would
7 cost -- you know, we have heard that a lot about,
8 you know, it would cost X number of dollars to keep
9 the water levels up.

10 And quite honestly, I don't
11 understand that question and why it would cost more
12 money to keep that -- to keep that water sustained
13 in Kentucky Lake, being at the end of the system,
14 but, you know, I appreciate your question, but I
15 think it does need to be clarified as to what those
16 costs would actually be.

17 MR. BRUCE SHUPP: Mr. Templeton, we
18 thank you very much your comments. Thank you for
19 coming.

20 Mr. Richard Douglas, Cedar Knob
21 Resort, Benton, Kentucky.

22 MR. RICHARD DOUGLAS: Yes. I'm Dick
23 Douglas from Cedar Knob Resort. I appreciate the
24 fact your group has come down here, because I didn't
25 even know you existed. I have been here for 41

1 years and been talking -- I have been to every
2 meeting that's ever been held, I believe, where the
3 water level has been discussed, and I can't
4 remember -- I couldn't even tell you how many
5 reasons that have been brought up in the past about
6 why the water level -- I'm talking about mainly in
7 the fall.

8 I'm really sick about it, that you
9 cannot maintain a summer pool up through the end of
10 October without some real problems somewhere, and I
11 think that's probably what you were talking about,
12 but anyway, one of the first ones that I heard was
13 it had to be drawn down so you could mow the buffers
14 around the lake. They're no longer mowing buffers
15 but the water level still goes down.

16 Then I can't remember some of the
17 others. One of them, they had to keep water in a
18 duck pond down around Paris Landing. They had to
19 have the water level down so they could put water
20 back in there, which I never have been able to have
21 anyone explain to me just how it was being done, but
22 needless to say, I don't want to go into a lot of
23 more details of the other ones.

24 The last one I heard, I know somebody
25 brought it up here, I just got in here a little

1 late, was these birds eating on the flats in the
2 fall or the wintertime, is there -- I have never had
3 it explained to me. I just heard somebody talking
4 about it.

5 Even at a level between 356 and 357,
6 we have still got lots of flats around here, lots of
7 flats. I have got them all around in my area. I'm
8 on Jonathan Creek, and once you get down to the 357
9 level you have got acres of flats available for
10 these birds, whoever they are.

11 So that's what -- I'm like everybody
12 else on the lake, I want to keep it up. I am
13 realistic, you cannot -- I know that you cannot
14 maintain a 359 level throughout the whole seven
15 months of the year. There is someplace that we hope
16 we can keep it up, I say, between 356 and 357. When
17 it gets down to the level it is right now, it's
18 right at probably 355.

19 I was talking to some bass fishermen
20 just yesterday, they are down here for a tournament
21 this weekend, and they said this is -- you know,
22 they have been here before. He said, this lake is
23 treacherous, you have got -- you look at all of this
24 water out there, and they want to go from here to
25 there but they have got to go this way and that way

1 and then back over here to get there. The ones that
2 know they have got to do that are fortunate. Some
3 of them are new that don't know that, that's where
4 they have problems with their props, the lower
5 units, and so forth. As I say, I have been here
6 long enough that I know where -- I have been out
7 there when there is real low water and real high.

8 I don't know who had anything to do
9 with this last summer, this last spring in the whole
10 summer period, even up through Labor Day, because I
11 think we were still up to 357 at Labor Day this
12 year, and it was, you know, a real, real good water
13 level all long.

14 MR. PHIL COMER: We had a prayer
15 group going up in Green County and they had very
16 heavy rainfall.

17 MR. RICHARD DOUGLAS: I know it's
18 been doing the rainfall. Even this last rainfall --
19 because we had five and a half inches of rain a
20 weekend ago and it was back up to within six inches
21 of summer pool, but then what kills it is they open
22 up the gates and they are wasting power. They are
23 not making power when you open those gates and they
24 just killed fishing for a whole week, nothing --
25 nobody could find a fish. My point is no different.

1 MR. BRUCE SHUPP: Any questions for
2 Mr. Douglas? Thank you, sir. Appreciate you
3 coming.

4 Gregory Batts, Prizer Point Marina
5 and Resort.

6 MR. GREGORY BATTS: Well, thank you,
7 first of all, for giving us the opportunity to
8 speak. Prizer Point is actually on Lake Barkley, so
9 you may or may not be wondering why the heck am I
10 here at a TVA meeting.

11 Being a marina owner and recent
12 marina owner, my understanding is from talking with
13 the Corps, both lakes have to work in coordination.
14 If they don't, then you don't have a canal that can
15 be navigable, and we have got a problem. So they
16 have to work on both levels.

17 First of all, I do want to thank you
18 for letting us talk and discuss this in an open
19 forum. The one favor I have to request in the
20 future, I found about this about at 5:00 last night
21 and really haven't had any time to prepare. It
22 would be nice if in some of the local papers some
23 information got out, because there's a lot of people
24 that asked me -- called me and asked me to try to
25 convey their feelings real quick, that they would

1 like to be here, but when you find out about it at
2 5:00 or 6:00, people are out of town, they have got
3 other things going on, and they can't be here.

4 So I would request that if we're
5 going to have an open forum, the local papers in the
6 area that are involved, I mean, Cadiz is right down
7 there, there's two papers out of there, and neither
8 one of them knew anything about it. So it would be
9 nice if we could do that. Enough on that.

10 Barkley Lake, as probably everyone
11 knows, it's navigated between Kentucky Lake and
12 Barkley Lake, and really has a problem when the
13 water is lower. We don't have a lot of depth in our
14 lake to start with. We have a much shallower lake.
15 The same problems you're talking about over there
16 are amplified even more on Barkley because you can't
17 hardly get out of the channel without having boat
18 problems.

19 We spend a lot of money marketing and
20 trying to get people to come to our resorts, and
21 they come to our resorts and they are right on the
22 edge of where the markers are marking where the
23 channels are and all of a sudden they hit a tree
24 stump and you do a couple thousand dollars worth of
25 damage to your boat, you don't want to come back

1 again. You get people in and they get concerned and
2 get upset by the fact that the water level is so
3 low.

4 I do understand there's a balance.
5 There's a lot of different interests here, and I
6 think everyone wants to work together because we
7 have got to have -- we have to have reasonably
8 priced electricity, we have to have no flood
9 problems, you know, everyone has various interests,
10 and there's a way of trying to balance that, and
11 hopefully, there's an open mind in balancing that.

12 Recreation, at least what I see,
13 we're like the fifth or sixth largest employer in
14 this whole county, and we're just one marina, and
15 there's three marinas in this county. So we're a
16 very big part of the community, and come Labor Day
17 we're not seeing people show up because we don't
18 have enough water depth. They hear it's not a place
19 to go.

20 Like this last week, like these
21 gentlemen we're talking about, with the water
22 dropping, I had two bass fish tournaments come in,
23 they are not coming back. They didn't catch a fish.
24 The water level was way up and it dropped just like
25 a rock. One group was the Indianapolis Police

1 Department and the other group was out of Ohio.
2 They are big groups. They spend a few thousand
3 dollars with me one time, you know, I got them in
4 this year and they are not coming back. They love
5 the place, had a great time, but the -- you know,
6 they didn't catch a fish, they don't want to come
7 back. So there's got to be some kind of a -- or
8 hopefully some kind of a way we can work together.

9 I understand the lake -- if it wasn't
10 for the TVA, the lake wouldn't be here, so we do
11 thank you for that, but we also would like to help
12 the area grow by increasing tourism. And if we can
13 keep the lake levels up a little bit longer, at
14 least, you know, make that curve less steep, drop it
15 slowly, gradual, maybe start a little later or
16 something along those lines, it would be a big help,
17 I believe.

18 Thank you.

19 MR. BRUCE SHUPP: Any questions?

20 Thank you very much.

21 Mr. John Pearman?

22 MR. JOHN PEARMAN: I'm not going to
23 say anything.

24 MR. BRUCE SHUPP: Not to speak, okay.

25 Is there anyone else that didn't register that would

1 like to speak?

2 MR. AUSTIN CARROLL: Mr. Chairman,
3 while we're here and have this opportunity and we
4 have Janet Herrin here, who is the manager of TVA
5 river operations, you know, apparently there's
6 misconceptions about why the river or why the lake
7 is lowered, do you want to take just a minute or two
8 and talk about why it's lowered in the late summer?

9 MS. JANET HERRIN: Kentucky is a
10 multipurpose project. It provides a variety of
11 benefits. Obviously navigation is a benefit for
12 Kentucky. And when you think about navigation,
13 there's the navigation piece of opening and closing
14 the locks, but there's also the water depth that you
15 talked about, the 9-foot channel and there's the
16 need to maintain that navigation channel. And
17 realize, it's the navigation channel not just
18 upstream, but it's also the navigation channel
19 downstream of the dam, all the way -- and also on
20 the lower Ohio and Mississippi.

21 You also mentioned the flood control
22 benefit, that's the flood control benefit downstream
23 of the project, it provides a flood control benefit
24 on the lower Ohio and on the Mississippi.

25 Hydropower generation is very much an

1 important piece of the benefits provided at
2 Kentucky. You also have flows in the reservoir and
3 downstream in the reservoir for water quality,
4 assimilative capacity as you balance the industries
5 and the communities that are located downstream of
6 the dam and the water supply that the river
7 provides, as well as the water quality.

8 You mentioned the aquatic habitat and
9 the environment for the critters, that's also an
10 important consideration. As you make decisions on
11 how you move the water from -- in an orderly fashion
12 from upstream all the way down through the system,
13 it's an integrated system. I just talked about
14 Kentucky, but the decisions we make at Kentucky are
15 also impacted by what's going on at all the projects
16 upstream of Kentucky.

17 And so the way we -- the way we
18 operate the system currently takes into account how
19 you move that water through the whole system and
20 then out of Kentucky with consideration for what
21 happens at Barkley and then on downstream on the
22 lower Ohio and Mississippi.

23 MR. AUSTIN CARROLL: Thank you. I
24 just thought that might help clear up some of the
25 questions about why it's dropped, when it's dropped,

1 and so there's a multitude of things that it's
2 managed for. And, of course, I know hydro
3 generation in late summer is very important, and
4 that's when power is very expensive because of the
5 demands on the system, and I would imagine that is
6 one of the primary considerations.

7 MS. JANET HERRIN: I would say,
8 anybody that would like us to come and talk to your
9 group, I will put in a plug and we will be more than
10 happy to come out and talk to you in more detail
11 about what we do and why we do it for any of your
12 groups individually.

13 MR. BRUCE SHUPP: Janet, I was going
14 to ask that question. On an annual basis, are there
15 schedules posted and meetings held with constituent
16 groups, stakeholder groups in the area to discuss
17 water level plans and draw-down plans? Are those --
18 is that routine?

19 MS. JANET HERRIN: No, there's not a
20 routine schedule, but again, we would be more than
21 happy -- I'll give you my cards, we'd be more than
22 happy to come and address any of your groups or any
23 of you folks at your request.

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

1 DR. PAUL TEAGUE: Let's comment on
2 their statement or request about future notification
3 of meetings in the area.

4 MR. BRUCE SHUPP: That's a good
5 point. The question is -- the question I have is,
6 can anybody on the TVA staff answer the question,
7 why wouldn't the local newspapers have this? Was
8 that -- does anybody have a reason for that?

9 MS. JANET HERRIN: I don't.

10 UNIDENTIFIED SPEAKER: They should
11 all have received it. It went about a week and a
12 half to ten days ago to the papers all across the --

13 MR. BRUCE SHUPP: Electronically?

14 UNIDENTIFIED SPEAKER: Either e-mail,
15 TV stations, and radios. (COURT REPORTER COULD NOT
16 HEAR). I can't answer why they either don't have it
17 or wouldn't have used it.

18 MR. BRUCE SHUPP: To answer our
19 speaker's question, routinely everybody that we --
20 everyplace that we go is notified, and I was just
21 wondering why this would have been different.

22 MR. ROYCE TEMPLETON: We heard about
23 it two months ago.

24 MR. RICHARD DOUGLAS: I have another
25 question. We have them here at Ken Lake, the -- I

1 don't remember the name -- I don't remember the
2 name -- it was a Congressional Commission. It was
3 headed up by the fellow that worked with the
4 Interior Department. It was a couple of years ago.
5 What their purpose was is to find out how they could
6 go about getting input about how they could increase
7 recreation on all the reservoirs throughout the
8 country. They met in all different places.

9 MR. BRUCE SHUPP: National Recreation
10 Lake Study Commission.

11 MR. RICHARD DOUGLAS: It was one
12 thing that was presented to Congress a year ago
13 March or last March.

14 MR. BRUCE SHUPP: There's legislation
15 pending right now. Would you state your name again?

16 MR. RICHARD DOUGLAS: I'm Dick
17 Douglas from Cedar Knob Resort. I just remember
18 that one because -- actually the fellow that did the
19 chairing -- not chairing it, but doing all of the
20 questions and answers and --

21 MR. BRUCE SHUPP: Bruce Brown.

22 MR. RICHARD DOUGLAS: Right.

23 MR. BRUCE SHUPP: That's -- it's
24 related somewhat, but it has nothing to do with the
25 TVA.

1 MR. RICHARD DOUGLAS: I didn't know
2 whether you received their input or it just went
3 right straight to Congress.

4 MR. BRUCE SHUPP: No. That was
5 circulated widely across the country. Okay.

6 Any other comments?

7 All right. Again, what we're
8 planning to do, unless there's some objection or any
9 other pending business that you would like to
10 discuss, but what I would like to do is adjourn
11 today's agenda and then move on to the -- pardon me.

12 MR. BARRY WALTON: Let me just say
13 that I think the way we have been referring to going
14 off the record or adjourning this meeting, let me
15 restate it just a bit.

16 Because of the matter we're getting
17 ready to discuss and the Council's desire to
18 probably speak about individual personalities, we
19 have discussed ending the transcript in just a few
20 moments. However, the meeting will still be open.
21 People who are here will be welcome to stay. There
22 will not be a verbatim transcript kept of what you
23 said, and one is not required under the Federal
24 Advisory Committee Act.

25 We do -- we are required to keep

1 minutes and to make them available, but the minutes
2 will be very summary minutes along the lines of
3 explaining what it is that the Council is
4 considering and then a statement of whether you have
5 reached a recommendation or not, and I think that's
6 probably the best balance between the public
7 participation and the need for the privacy of the
8 people you discuss.

9 MR. BRUCE SHUPP: I mean, I would
10 think that in a brainstorming session to figure out
11 what we want to do tomorrow, as in official step, I
12 would think that we have gone quite far to satisfy
13 the fact of our responsibility.

14 MR. BARRY WALTON: If that's
15 agreeable, I guess at this point we will ask
16 Ms. Nixon to terminate the transcript and ask Sandy
17 Hill to take up the responsibilities to keep an
18 appropriate record of the remainder of the meeting.

19 MR. BRUCE SHUPP: We're officially
20 adjourned from our agenda today.

21 (Meeting was adjourned and reconvened
22 on October 26, 2001, at 8:00 a.m.)

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1 REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

2 OCTOBER 26, 2001

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2

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4 DAVE WAHUS (FACILITATOR)

5 SENATOR ROGER BEDFORD, JR.

6 MR. W. C. NELSON

7 MR. AL MANN

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14 MR. JIMMY BARNETT

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16 MR. KARL DUDLEY

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18 MS. ANN COULTER

19 MS. JULIE HARDIN

20 MS. MILES MENNELL

21 MR. GREER TIDWELL

22 DR. STEPHEN A. SMITH

23 DR. PAUL F. TEAGUE

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TENNESSEE VALLEY AUTHORITY REPRESENTATIVE

KATE JACKSON, Ph.D
EXECUTIVE VICE PRESIDENT
TENNESSEE VALLEY AUTHORITY
DESIGNATED FEDERAL OFFICE
400 WEST SUMMIT HILL DRIVE, WT11A-K
KNOXVILLE, TENNESSEE 37902

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

2 MR. BRUCE SHUPP: Okay. Here we go.
3 Let's take our seats, please.

4 MR. AUSTIN CARROLL: Mr. Chairman,
5 before we get started, I would like to take about 30
6 minutes and say a few words about the Great
7 Commonwealth of Kentucky, that will take care of my
8 prepared remarks, and then I'll have a few
9 extemporaneous remarks, and then I'll be glad to
10 take questions.

11 MR. BRUCE SHUPP: The Chair
12 recognizes Austin Carroll's 30 minutes of remarks in
13 about 15 seconds. You're on.

14 MR. AUSTIN CARROLL: I would like to
15 thank everybody for coming up to Kentucky, and I
16 hope you have enjoyed it here. I hope you spend
17 money on the way out, come back and stay longer and
18 spend more money, but it's a privilege to have
19 you-all come to Kentucky.

20 MR. BRUCE SHUPP: We enjoyed it.
21 It's a great facility. If the Council is
22 rechartered, I think we might want to come here more
23 often with our boats.

24 MR. AUSTIN CARROLL: I move for a
25 recharter of the Council.

1 MR. BRUCE SHUPP: We will get into
2 that later. All right. Is Roger Bedford in town or
3 did he go home?

4 MR. THOMAS GRIFFITH: He's here but
5 he's not here.

6 MR. BRUCE SHUPP: Phil, speaking for
7 the river management subcommittee, could you explain
8 the papers that are in our seats this morning and
9 what the intentions are with those recommendations?
10 I mean, is that on today's agenda or asked to be put
11 on today's agenda or --

12 MR. PHIL COMER: Yes.

13 MR. DAVE WAHUS: Let me ask a
14 question. In that this recommendation was not
15 presented prior to the public input yesterday, does
16 this then have to go to the next meeting to formally
17 be presented?

18 MR. AUSTIN CARROLL: Just a point of
19 clarification. Yesterday we did make a report from
20 the -- Roger did make a report from the river
21 management subcommittee, and I think, Mr. Chairman,
22 that you asked that those remarks be submitted and
23 our recommendation be submitted in writing.

24 MR. BRUCE SHUPP: Correct.

25 MR. AUSTIN CARROLL: And so that's

1 what this is, is a follow-up to yesterday.

2 MR. BRUCE SHUPP: Well, I didn't
3 think they were this specific yesterday.

4 MR. PHIL COMER: Oh, yeah.

5 MR. BRUCE SHUPP: As I recall his
6 remarks, it was just that this should be added to
7 the list of things to be looked at during the river
8 study, but this is very specific recommendations as
9 if it should be something to be addressed
10 immediately.

11 MR. PHIL COMER: No, it's part of
12 that.

13 MR. THOMAS GRIFFITH: To be made a
14 part of that study.

15 MR. PHIL COMER: Except the very
16 first one.

17 MR. BRUCE SHUPP: Yeah, the first one
18 is very specific.

19 MR. PHIL COMER: It's a navigation
20 problem.

21 MR. AUSTIN CARROLL: I think we had
22 already made a recommendation along those lines, and
23 I think this is further refining that
24 recommendation, No. 1 is, and then No. 2 is what we
25 concluded yesterday having discussed the Ocoee River

1 and the concerns with the whitewater.

2 DR. PAUL TEAGUE: Both of them were
3 discussed yesterday just like it is here.

4 MR. PHIL COMER: Really, I think
5 Roger said these same things yesterday.

6 MR. AUSTIN CARROLL: He did.

7 MR. BRUCE SHUPP: All I'm trying to
8 get at is, there's no action necessary on these
9 today, these are to be part of the consideration for
10 the study, is that correct?

11 MR. AUSTIN CARROLL: Correct.

12 MR. BRUCE SHUPP: Okay.

13 MR. THOMAS GRIFFITH: I think the
14 Council needs to concur that they need to be --

15 MR. AUSTIN CARROLL: It's a
16 recommendation to the Council.

17 MR. PHIL COMER: Tom is right, what
18 Tom just said.

19 MR. BRUCE SHUPP: Say it again, Tom.
20 I didn't hear you.

21 MR. THOMAS GRIFFITH: I think the
22 Council needs to concur that these recommendations
23 be made a part of the study.

24 MR. PHIL COMER: Yes, absolutely.

25 DR. PAUL TEAGUE: That was the

1 understanding that I got from yesterday is that they
2 wanted to go ahead.

3 MR. PHIL COMER: But Tom is right,
4 that we need to --

5 MR. THOMAS GRIFFITH: This is exactly
6 what Roger presented yesterday.

7 MR. BRUCE SHUPP: Well, I didn't
8 recommend that there was a -- remember that there
9 was a specific change from 354 to 355.

10 MR. PHIL COMER: He said that
11 yesterday.

12 MR. THOMAS GRIFFITH: Because the
13 tail waters at Pickwick, where the navigation people
14 were having some problems there.

15 MR. PHIL COMER: It's probably one of
16 the more serious pinch points from a barge
17 standpoint, but he did mention that foot yesterday.

18 MR. BRUCE SHUPP: I didn't hear that.
19 Do we know whether that's a feasible request?

20 MR. PHIL COMER: Tom Vorholt has
21 assured us that it's totally feasible.

22 MR. BRUCE SHUPP: Kate, do you want
23 to comment on that or have one of your staff comment
24 on whether that's a feasible request for the Council
25 to approve?

1 MR. TOM VORHOLT: I have had several
2 discussions with Janet Herrin, Ted Nelson, and the
3 river operations group about this issue. Their
4 response to me was that this raising the winter pool
5 at Kentucky Lake from 354 to 355 would have to be
6 part of the river operations study, and that's what
7 this request is, it's just to make sure from a
8 navigation standpoint that this item is part of the
9 river operation study.

10 We're not asking you to do this
11 today. We're asking you to consider it as part of
12 the river operations study. As indicated, as Phil
13 said, it is one of the major pinch points for
14 navigation. At winter pool when you're trying to
15 make that approach into the lock at Pickwick,
16 there's just not enough water to do it up there
17 safely.

18 MR. BRUCE SHUPP: That makes sense.
19 So you're saying that it really should read,
20 recommend that TVA consider changing the winter pool
21 levels, that's what you're asking?

22 MR. GREER TIDWELL: Yes.

23 MR. TOM VORHOLT: From 354 to 355.

24 MR. PHIL COMER: Back to what Tom
25 Griffith said, these need to be acted upon by the

1 full Council.

2 MR. BRUCE SHUPP: We will get to that
3 with the discussion section, and Roger will be here
4 for that when we discuss it. Good.

5 All right. We start out the morning
6 with Gary Mauldin, who is going to talk about the
7 preliminary analysis of the proposal for a later
8 winter draw-down.

9 Gary?

10 MR. GARY MAULDIN: Morning. So why
11 am I here? Can you hear me okay or should I get --
12 is it on? Good to go. I will try to stand still.
13 It's not easy for me.

14 A proposal was made by Glen Bibbins
15 to a small group, and after that proposal was made
16 some questions were raised about the viability of
17 that proposal. What I want to do today is to
18 briefly go over with you what that proposal was, go
19 through the analysis that we did to see if that was
20 a viable alternative or not, and then give some
21 conclusions about where I think we need to head.

22 I'm not sure I can put it much more
23 eloquently than Greer Tidwell did, as I read the
24 transcript, where he said, what we need to do is
25 figure out whether this is bunk. So that's exactly

1 what we've set forth to do.

2 MR. PHIL COMER: I want you to know
3 that Mr. Bibbins deeply resented that comment.

4 MR. GREER TIDWELL: Let me make sure
5 I was clear. I just said it was the first blush,
6 it's the first step, and then if it's not we need to
7 go forward.

8 MR. GARY MAULDIN: Okay. Anyway,
9 this is what the proposal looked like. The red line
10 is the way we currently operate the Douglas
11 reservoir system. Okay. The black line is what was
12 proposed. So you'll see that the major differences
13 obviously are a higher winter pool and an extension
14 of reservoir levels on into the late summer.

15 The stuff down at the bottom here
16 basically just says that when Glen did his original
17 analysis using some rough numbers, he said, you
18 know, it looks like we might be able to get 50 or 60
19 million bucks out of this thing, this is worth
20 looking at.

21 So I'm starting out with a graph
22 here. Okay. I'm going to show you a lot of graphs
23 and a lot of charts. So for those of you who don't
24 like graphs and charts, let me go ahead and tell you
25 what I think the answer to this is.

1 When we studied it what we found was
2 the power generated from both proposals within the
3 range of error that this analysis included is about
4 the same. The dollars generated from that power is
5 about the same. That's the conclusion.

6 My personal conclusion from those two
7 things is this is not a windfall, but it's also not
8 a stupid idea. It is something that we need to look
9 at. It's a good -- potentially a good idea. So for
10 those of you who don't like the charts and graphs
11 and don't want to go through all of that detail, you
12 can kick back and relax now because that's what I am
13 eventually going to get to.

14 At the end of this I will tell you
15 the things that we would have to look at, you know,
16 why can't we go ahead and do this sort of thing,
17 things we need to look at in order to be able to
18 make sure this happens because what we looked at was
19 strictly from an energy and power standpoint. We
20 ignored all other constraints. We ignored all other
21 benefits that the system can provide and just looked
22 at the power here.

23 I would also say that a lot of this
24 is kind of what I call a back-of-the-envelope sort
25 of analysis, and I would not get married to these

1 numbers, because when we go do a more detailed
2 analysis we will come up with a lot better answer,
3 but this tells us something. It tells us whether --
4 is this a windfall or is this a stupid idea.

5 Okay. We took the curves that I
6 showed you just a second ago and took a look at the
7 power that would be generated, and it's exactly as
8 you would expect. It's generates more power in the
9 wintertime but less in the summertime.

10 The reason for the more power in the
11 wintertime is the effect of hydrostatic head, of
12 course. The higher the lake level is, the more
13 energy that water can impart on to the turbine,
14 therefore, the more energy you can develop.

15 In the summertime the difference
16 there is that the proposal that Glen made held
17 levels up, therefore, the water wasn't running
18 through the turbine.

19 DR. STEPHEN SMITH: Gary?

20 MR. GARY MAULDIN: Yes.

21 DR. STEPHEN SMITH: Would a -- could
22 you roughly anticipate that in order for you to say
23 that these are roughly comparable, that the area
24 under those curves should be equal?

25 MR. GARY MAULDIN: No, it won't

1 necessarily be equal. Let me walk on through that
2 and I will tell you why, because what we're looking
3 at right here is Douglas and Douglas only.

4 DR. STEPHEN SMITH: Right.

5 MR. GARY MAULDIN: What we were asked
6 to do is, okay, how does this -- what happens if you
7 extrapolate this to the rest of the system? The
8 almost equal answer is the rest of the system.

9 DR. STEPHEN SMITH: So clearly this
10 looks like there's more generation out on Douglas?

11 MR. GARY MAULDIN: Exactly. And I'm
12 going to get -- I am going to go to this, and I
13 swear Stephen and I did not practice this, so he did
14 not know to ask that question, but you will see
15 that, indeed, Douglas is different.

16 When you start looking at the other
17 reservoirs, what this chart here tells you is, okay,
18 let's take that same operating sort of philosophy,
19 higher in the winter, extend it on out in the
20 summer, and let's look at the other tributary
21 reservoirs, what we find is that Douglas is much
22 higher. You know, a good comparison is Fontana,
23 which the size of that plant is a million megawatt
24 plant, but under this scenario would produce an
25 additional 42,000 megawatts, whereas, Douglas was

1 74,000. When you add it all up, it comes out to
2 using just a spreadsheet analysis, 200 megawatt
3 hours.

4 Now, to give a feel for what that is,
5 I haven't looked at the reports for the last couple
6 of days because I have been out here. This week --
7 early this week our hydro system was producing a
8 little over 40,000 megawatt hours a day. So this is
9 five days' worth, less than five days' worth for
10 this time of year. In other words, it's not --
11 that's why I say, when we did this, this is as close
12 to break even as you can get doing a spreadsheet
13 kind of analysis with the assumptions that goes into
14 it. So this is purely a sit-down with an Excel
15 spreadsheet and see what we get.

16 It does beg some questions though.
17 So what we did was we plugged all of this in our
18 weekly scheduling model. We do have a computer
19 model, as I'm sure most of you are aware, that helps
20 us predict what's going to happen.

21 So we came up with this synthetic
22 ear, as we call it, which we basically developed by
23 averaging inflows on a weekly basis, plugged it into
24 our weekly scheduling model, and here's what we came
25 up with, \$244,000 -- I mean, 244,000 megawatt hours,

1 remember the previous slide was 200. So far we look
2 to be matching pretty closely probably a pretty good
3 number then, and you have got the same phenomenon
4 going on at Douglas, which is what the proposal was
5 based upon. It's somewhat of an anomaly. All
6 right. So this takes care of the tributary
7 reservoirs.

8 Let's look at the tributary
9 reservoirs that are running the river. What that
10 means is they don't have a lot of storage. They
11 don't fluctuate a lot. There's actually an energy
12 decrease here.

13 I'm going to go on next and show you
14 what happens on the main river, and after I do that
15 I need to come back and explain why, if we didn't
16 look at anything else but energy, we could possibly
17 get less energy here. But when we looked at the
18 main river plants, this is due to spilling, what you
19 find is now a reduction there of 182,000 megawatt
20 hours.

21 Okay. So you add all of this up,
22 three-tenths of a percent increase in power
23 generation using the proposal that Mr. Bibbins
24 prepared and presented to us.

25 MR. JIMMY BARNETT: What about the

1 timing of the cost of the energy?

2 DR. KATE JACKSON: The timing of the
3 cost of the energy.

4 MR. GARY MAULDIN: Let me just
5 quickly run through, if I could, Jimmy, the reason
6 why we had a difference in -- why we had some
7 spilling, and then I am going to get straight to the
8 costs after that.

9 What happens is under -- the way we
10 currently operate the system, the locals in the
11 wintertime give us some inventory control. So if
12 you get a lot of inflow, you can use those pools to
13 absorb some of that. If you don't have that, then
14 you get into a situation where you have got to run
15 that water down the river.

16 There are some places then that -- I
17 don't know, I'll use Tom's terminology I think he
18 used a minute ago, of pinch points where you end up
19 having more water than the turbines can handle. So
20 this is a Chickamauga example. This line here is
21 the amount of water that the turbines can handle.
22 Anytime you exceed that, you have to spill.

23 So you can see, using this synthetic
24 year that never will exist anyway, both proposals
25 will cause some spilling to occur in the wintertime,

1 but the proposal that Mr. Bibbins made would cause
2 more spilling and that's where you get the
3 difference of the 180,000 or so megawatts. Again,
4 you're talking about very, very small numbers here
5 when you compare it to the big picture.

6 Now, an excellent question was asked
7 and a very important question, which is what about
8 when you look at the cost? The cost came out almost
9 the same. We looked at it by spreadsheet and we
10 looked at it by plugging it in and doing a fairly
11 detailed analysis, and what we found was the cost is
12 about the same.

13 I think, depending on the term that
14 you look, I mean, you can look out 30 years, and
15 then you can ask yourself the question, is it valid.
16 We looked, like, the first seven years, the proposed
17 operation, as opposed to the current operation,
18 generated 6.8 million dollars in additional revenue.
19 First off, don't get married to that number. Second
20 off, realize that 6.8 million dollars over a
21 seven-year period on a business that's generating in
22 excess of 400 million dollars per year, round-off
23 error, you know, it's zero. It's the same as zero.

24 So I guess my view is, given the
25 level of the accuracy of this analysis, I see it

1 being a wash as far as power generation goes, actual
2 energy produced. I see it as being a wash as far as
3 dollars produced. So it is not a windfall, but it's
4 not a bad idea. In fact, I think it's a very
5 thoughtful idea, and we do need to look at it and
6 study it.

7 Why do it in the study?

8 By the way, this is the total
9 composite of electricity generation, you know, I
10 went through this whole thing, that would be the way
11 it goes, and it's the same as before, exactly what
12 you would expect it to be.

13 So why should we do a study to look
14 at this?

15 Well, we have got to find out whether
16 it works or not. Okay. I mean, the whole point of
17 this was to ignore everything but energy and take a
18 look and see whether this will work. So if you kind
19 of go down this list and you ask yourself, what will
20 have to be looked at in the reservoir operation
21 study in regard to navigation, you know, we're
22 talking about holding up pools later in the
23 summertime, what will that mean for the navigation
24 channel for that time of year, my personal
25 philosophy is perhaps not much because we would

1 probably release water if we needed to.

2 The more problematic issue will come
3 during the winter months. Remember, the whole
4 reason for the spilling that I talked about was you
5 lose that inventory in the tributaries. So what you
6 will get more of is fluctuation along the main stem.
7 So it would be up one day and down the next, more so
8 than we do now because we're able to attenuate that
9 to a degree with the inventory in the tributaries.

10 Will that make a difference to the
11 navigation industry? I don't know. I think we have
12 got to go study it, you know, that's sort of the
13 point.

14 Flood control, clearly if you hold
15 reservoir levels higher in the wintertime you're
16 giving up some flood storage, by definition. So the
17 obvious question then becomes, are you giving up so
18 much flood storage that it causes a problem
19 downstream, that ultimately is what you're wanting
20 to know.

21 In order to be able to do that, you
22 really have to do a flood study model of the entire
23 system in order to be able to determine that.
24 Again, it gets to, you need to do a -- you need to
25 look at this in a study.

1 Recreation, whether this helps you or
2 hurts you depends on whether you're a flat water or
3 a tail water user, I guess. The bottom line though,
4 I think, is that this one is a fairly complex one to
5 analyze. It's something that would be very
6 difficult to do in a seat-of-the-pants sort of
7 analysis. How we measure value, making sure that
8 we're measuring -- we're comparing benefits to
9 benefits and costs to costs and all of those sorts
10 of things. It's a fairly complex economic analysis.

11 Power generation, a couple of
12 potential impacts here. No. 1, neither of the two
13 operations that I showed you is the maximum power
14 generation from our hydro system, not the one that
15 Mr. Bibbins proposed, not the way we currently do
16 it. So the study is an opportunity for us to
17 perhaps squeeze some more megawatts out.

18 Another issue, holding reservoir
19 levels higher in the summertime, what kind of
20 thermal impact does that have? In other words, does
21 the water heat up more?

22 If it's heats up more and I am
23 releasing it down the river, then that starts to
24 impact our fossil fuel and nuclear plants down river
25 because they need cool water in order to cool the

1 plants.

2 Another impact that we will have to
3 look at, we were switching hydro generation under
4 the proposed alternative from August and September
5 into the winter months. When you start -- if you're
6 going to replace that generation in August and
7 September with fossil fuel generation, emissions in
8 August and September are not equal to emissions in
9 the middle of the winter, and that has to be looked
10 at. That's a fairly complex issue that would have
11 to be looked at.

12 Water quality, the biggest thing with
13 me about water quality that brings up complexity,
14 first, of course, is the temperature issue in the
15 August and September time frame. As temperatures
16 raise, what's the impact of that going to be on
17 aquatic wildlife?

18 Another one though, and perhaps
19 potentially bigger, because I think that -- excuse
20 me my backing up, I think it's a little easier to
21 deal with the temperature issue because if it comes
22 down to it you can release water and fix that one.

23 A little bit more complex issue is if
24 you have higher pools in the wintertime you're, in
25 essence, increasing your inventory of cold water in

1 the wintertime. And I think you-all have probably
2 been talked to about the phenomenon of
3 stratification where the cold water stays at the
4 bottom and the warm water comes in, and basically
5 that's the reason why you have oxygen depleted water
6 at our tributary reservoirs. What this would do is
7 create a bigger amount of cold water.

8 Would that change the amount of water
9 that's got depleted oxygen reserves? We have got to
10 look at it to make sure. What would we do if we had
11 that going on? Could we treat it by putting more
12 oxygen in and how much would that cost? In other
13 words, it's fairly complicated. We need to look at
14 this as part of the study.

15 So let me wind this up where I
16 started. For those of you who zoned out during the
17 graphs, you can come back now. Again, we looked at
18 this strictly from an energy standpoint, and what we
19 found was it will produce about the same amount of
20 energy either way you go. We looked at it from the
21 cost standpoint, it's about a wash on the costs
22 either way you go.

23 There are some potential impacts that
24 need to be studied to see whether this is a feasible
25 alternative or not. That can only be done if you do

1 it as part of a bigger reservoir study and look at
2 the impact of the whole system. So I'm going to
3 shut up now and see if there's any questions.

4 Phil?

5 MR. PHIL COMER: Would you just
6 quickly go back to the first graph that showed the
7 Douglas -- well, no, the Douglas. Yeah, that one.
8 Look at the red line, Douglas, 52 percent increase,
9 please remember that when Glen Bibbins made this
10 study, the only data that we had was for Douglas,
11 and because -- Glen did not end up with 74,000
12 increase, he ended up with close to a 100,000
13 increase, now, where that difference -- I know where
14 that difference probably is, is the 37 megawatts
15 versus the 34.5, that's probably the difference.

16 MR. GARY MAULDIN: Exactly.

17 MR. PHIL COMER: But the 52 percent
18 Glen and I found very significant and very
19 attractive, and hear this, because we had always
20 been told over and over again by TVA that all of the
21 lakes were treated exactly the same, we assumed that
22 they would all have a comparable increase if the
23 winter levels were adjusted in the same way. What
24 this clearly points out is that Douglas Lake is not
25 treated the same.

1 Gary, do you agree with that?

2 MR. GARY MAULDIN: I would phrase it
3 differently.

4 MR. PHIL COMER: I know you would.
5 You're on the TVA payroll, I'm not.

6 MR. GARY MAULDIN: Now, what I would
7 say is that this phenomenon is basically due to the
8 physics of the location. The increase -- again, the
9 thing that was driving the winter increase in
10 generation was the hydrostatic head.

11 Douglas, compared to most of the
12 tributary reservoirs, is relatively a low dam. The
13 increase in head there, as a percentage of its total
14 head, was large. You go to a place like Fontana,
15 which is a very tall dam, the percentage in head --
16 of head increase there is a very small percentage of
17 the total head, and that really is what is driving
18 most of this number right here, what percentage of
19 the total head.

20 MR. PHIL COMER: Well, compared to
21 Cherokee, which is a sister dam, literally
22 identical, literally identical, the same plans, you
23 know, the same everything if you know the history of
24 the two dams, and what we see pointed out here is
25 that Cherokee only fluctuates 28 feet, the draw-down

1 on Cherokee is only 28 feet under current practice,
2 whereas, Douglas is 50 feet. There's something
3 amiss here.

4 Now, I'm not going to keep pursuing
5 this, but I just want to point out that this is why
6 Glen and I both felt quite encouraged that -- and
7 obviously we didn't have the data to study all 13 of
8 these tributary dams, but that's the basis of why we
9 felt encourage that if 52 percent was the increase
10 for Douglas, presumably it would be the same for the
11 others, but now you see we have a new point of view,
12 Gary. Douglas is not being treated the same.

13 MR. BRUCE SHUPP: Any other questions
14 for Gary? Thank you. Appreciate it, Gary.

15 The next subject is at the last
16 meeting we were discussing the status of the
17 appropriations' history and the appropriations'
18 future for TVA and asked the legislative working
19 group chaired by Austin to do a little report for us
20 to explain the state we're in now and what we could
21 expect from the federal funding in the future.

22 Austin?

23 MR. AUSTIN CARROLL: Thank you,
24 Mr. Chairman. We did some research on this issue,
25 primarily talking to TVA's Washington representative

1 and looking back at the laws that were made in 1998
2 for FY 1999, appropriations to TVA, and there were a
3 couple of things that happened.

4 The Omnibus consolidated an Emergency
5 Appropriations Act of 1999, appropriated \$50,000,000
6 to TVA for FY '99 for the purposes of carrying out
7 the TVA Act, and you-all should have a write-up on
8 this in your materials. I'm just summarizing it
9 from that.

10 And then coincidentally TVA was
11 authorized to repurchase bonds it issued to the
12 Federal Financing Bank by payment of principal
13 amounts, plus interest, to the date of purchase, and
14 this allowed TVA to have substantial savings in its
15 interest costs for the power program.

16 The statute further provided that
17 TVA's savings, as a result from the savings of the
18 refinancing, shall be used to reduce the debt of the
19 Tennessee Valley Authority.

20 And as far as the non-power perhaps,
21 the legislation terminating appropriations directed
22 TVA to pay for the essential stewardship activities
23 with sums to be derived only from one or more of the
24 following sources: Non-power fund balances and
25 collections; investment returns of non-power

1 program, applied programmatic savings in the power
2 and non-power programs; savings from the suspension
3 of bonuses and awards; savings from reductions in
4 memberships and contributions.

5 So basically that last year of
6 funding there were a couple of things -- again, a
7 couple of things that were done. There was a
8 refinancing to the Federal Financing Bank, which
9 there was no connection in writing between that and
10 stopping the appropriated funds. However, they did
11 occur coincidentally and TVA was directed to pay for
12 the non-power activities out of the savings they
13 would achieve in other -- in some other manner.

14 The savings from the refinancing was
15 directed toward the payment of debt. Now, given the
16 situation in Congress now with looking at
17 deregulation and the mood of the Congress and the
18 fact that the Valley congressional delegation really
19 went to bat for TVA to obtain refinancing from the
20 Federal Financing Bank, which saved TVA several
21 million dollars, the mood of Congress is such that
22 it would not be appropriate for TVA to ask for
23 appropriated funds at this time.

24 Now, at sometime in the future, you
25 know, it might be appropriate. And as far as when

1 that time would be, it's very difficult, I think, to
2 determine that. It's almost kind of a wait and see
3 until -- see what happens on deregulation and where
4 TVA comes out on that.

5 It's a fight right now to -- as we
6 speak in Congress to get language in a Deregulation
7 Bill that would be favorable to TVA and the
8 constituents and customers in the Valley, and the
9 Congressmen are doing about everything they can do,
10 in my perception, to hold things together right now
11 such that our -- that the consumers of the Valley
12 don't take it on the chin through some deregulation
13 language that would adversely affect them.

14 So, however, at some point, if the
15 Council continues to exist, then it might be
16 appropriate to suggest that TVA submit a budget
17 request for appropriations, but right now that would
18 not be met with favoritism among the Valley
19 congressional delegation and certainly outside the
20 Valley, you know, it would be pretty much dead on
21 arrival.

22 MR. BRUCE SHUPP: So to sum that up,
23 for future Council deliberations or subcommittee
24 deliberations on issues, if we're talking about
25 revenue needs the Council should be looking at

1 recommendations that would either enhance the
2 revenue flow to TVA or to reduce expenditures to TVA
3 in other areas to shift expenditures into new
4 recommendations, is that where we're at, at this
5 stage? No federal recommendations should be
6 recommended by this committee -- no federal
7 appropriations should be recommended by the
8 committee at this time?

9 MR. AUSTIN CARROLL: I would not
10 advise that from the -- from our group. It says
11 that -- it says, sums that were spent for
12 stewardship activities in fiscal year 1999 and
13 thereafter is to be derived only from one or more of
14 the following sources; non-power fund balances and
15 collections; investment returns of the non-power
16 program; applied programmatic savings in the power
17 and non-power programs; savings from the suspension
18 of bonuses and awards; savings from reductions in
19 memberships and contributions; increases in
20 collections resulting from non-power activities. In
21 other words, if TVA can come up with another source
22 of funds and fees or whatever, then they're
23 suggesting to do that.

24 It says, including user fees or
25 increases in charges to private and public

1 utilities, both investor and co-operatively owned,
2 as well as to direct load customers. So it even
3 allows TVA to increase rates for paying for
4 non-power activities, which I have a problem with
5 that personally, but that's what it says.

6 MR. BRUCE SHUPP: Okay. Any other
7 questions? Jimmy?

8 MR. JIMMY BARNETT: I have two
9 questions. What are programmatic savings in the
10 power and non-power programs? Someone enlighten me
11 on that.

12 MR. AUSTIN CARROLL: I may defer to
13 the attorney since that's getting into a definition
14 there that I'm not completely familiar with myself.

15 MR. GREER TIDWELL: Excuse me. I
16 don't want to cut off the attorney. I never like to
17 do that myself, but actually, this is kind of an
18 accounting question. I mean, TVA is paying for this
19 stuff out of this -- these four or five listed
20 categories. I would like to see kind of what the
21 money stream is.

22 MR. BARRY WALTON: All I know is the
23 bottom line of what the accountants say, I don't
24 need to worry about that.

25 MR. GREER TIDWELL: That's what they

1 always tell the attorney.

2 MR. BARRY WALTON: That there's
3 enough of those things to take care of our central
4 stewardship expenditures, and at this point it's
5 perfectly okay to just think about it as though it's
6 being paid for with power funds straight out as
7 opposed to these particular categories.

8 MR. JIMMY BARNETT: Okay. Really
9 what I was driving at, I didn't know exactly what
10 that particular category meant.

11 MR. BARRY WALTON: I think that
12 one -- I think that one that you're mentioning is --
13 basically just washes out because if you have a
14 savings in the non-power category, that means you're
15 not spending that money. So you never -- you
16 never -- anyway, it just lowers the amount that you
17 have to spend for central stewardship.

18 Isn't that the way it's --

19 MR. JIMMY BARNETT: I agree with you.
20 My other question though, you made a -- you-all made
21 a comment down at the bottom of this, however, it is
22 within the purview of the Council to recommend to
23 TVA that it submit a budget request for
24 appropriations when the timing is appropriate.

25 Now, even if the Council didn't go

1 on, we could leave the scene quietly on tiptoe with
2 this recommendation behind us, could we not? I
3 mean, we could make it and say, don't do it right
4 now, do it when you think it's right, but we want
5 you to do it when the timing is right.

6 MR. AUSTIN CARROLL: Certainly, I
7 think so, and I think TVA would have a sense of that
8 in coordination with the Valley congressional
9 delegation, that when the timing is right that they
10 would -- could do that.

11 I guess the point is at this
12 particular point in time it's hard to say, well, you
13 know, plan for it five years out, ten years out,
14 because not knowing what's going to happen to energy
15 deregulation and legislation, I mean, that's been
16 talked about now -- it started off like, Jimmy, as
17 you're well aware, a freight train thinking that
18 something was going to pass about probably, what,
19 three or four years ago, and then it met with
20 considerable resistance in Congress, and then
21 some -- many states went forward with their own
22 state legislation, then California about went under
23 because of it, and, you know, they always said
24 California would fall off in the ocean, well, this
25 got pretty close.

1 And because of that, the deregulation
2 legislation has been continually postponed. So that
3 continues to stir, and it would appear to me that
4 until things settle down and until -- I can see
5 right now the -- I feel like the Congressmen are
6 using all of their leverage to just prevent TVA
7 consumers from being raped in this process of
8 deregulation, and therefore, they don't need
9 anything else on the table to try to fight for what
10 the enemies could use against them.

11 DR. STEPHEN SMITH: This issue for me
12 goes to the -- really to the very core of even why I
13 think this Council exists, because one of the
14 biggest fears we had and one of the reasons why we
15 were advocates for seeing something like this
16 created, now, the way it ultimately turned out, you
17 know, we can all talk about, but -- is that when
18 Congress cut off the federal appropriations there
19 was a very real sense that those programs that were,
20 in essence, the non-power programs, would then be
21 thrown into the mix and constantly be deemphasized
22 and be subject to repeated cuts because of the --
23 the influence of parties that are going to want to
24 focus primarily on rates only, and so we have
25 been -- and we remain concerned.

1 I mean, to TVA's credit, they have
2 managed the transition, I think, well to date, but
3 as financial pressures continue in the future and as
4 we move away from what was the way the non-power
5 programs were managed in the past to the way they
6 are managed coming out of, quote, unquote, power
7 revenues, there is a very real concern that we have
8 had for a long time that these programs would begin
9 to get cut and erode away and they wouldn't be able
10 to compete in the larger realm of TVA financial
11 decision-making.

12 If this panel was dissolved in
13 February, there is a real question in my mind at
14 some point going forward, whether we lose a voice.
15 Now, we can argue whether this is the best voice
16 because there are, I think, elements on this panel
17 that are perfectly comfortable with continued
18 erosion away of those things, but I think that there
19 is a very real concern.

20 My concern with -- and I concur with
21 the recommendation to a point. My concern is that
22 there is already activity in Congress for certain
23 special interests, so to speak. The distributors
24 are very concerned about how they are dealt with in
25 the context of deregulation, and they have

1 negotiated a deal and they want to make sure that
2 deal is done. The navigation community is very
3 concerned about the Chickamauga lock. They have got
4 their political hooks in, and they are basically
5 leveraging the politicians for this.

6 There is a point at which if TVA
7 doesn't develop the strategy and the political
8 desire to go back and get back in the fray
9 politically to get these funds, it will never
10 happen. And some people say, well, I wish I could
11 live in Steve Smith's world of political realities,
12 but the bottom line is there is horse trading that
13 happens all the time up there. If you don't get up
14 there and go back into the fray to get the monies,
15 we will never get the monies.

16 And my fear is, you know, that at
17 some point in the future, if this Council doesn't
18 exist, if people quit paying attention, that when
19 push comes to shove, the historical focus of the
20 non-power programs and the resources necessary to
21 properly manage them will get eroded away.

22 And so I feel that there has got to
23 be some stronger statement from the Council about
24 going back after federal funds than saying, well,
25 you know, when we get our deal on the restructuring

1 and maybe when we get our deal on Chickamauga, then
2 maybe we will think about floating something back up
3 there, because this needs to be advocated just as
4 strongly because it's just as wrong as getting
5 screwed in deregulation. It's just as wrong as the
6 fact that Chickamauga is not going to get a new lock
7 because nowhere else in the country are essential
8 programs like this done out of ratepayer dollars.

9 And without some of the same
10 mechanisms for FERC on -- you know, that we don't
11 have the same FERC relicensing structures going
12 after the dams and the way they are managed, there
13 may not be an issue now, but I can see in the not
14 too distant future that it could become an issue.

15 So somehow or another before this
16 entity is dissolved, I would like to see a very
17 strong recommendation that TVA reengage in the
18 political battle and make sure that we are going
19 after the funds that are necessary to properly
20 manage a river system that crosses multiple states
21 and happens to be the fifth largest river system in
22 the country.

23 MR. BRUCE SHUPP: Al?

24 MR. AL MANN: Stephen, I agree with
25 you, but it's against the law for us to do that.

1 When you look at Title V, Section 501, under general
2 provisions, and would counsel interpret that as to
3 mean that if we did something like this, would we
4 not be lobbying to Congress and that is the issue
5 here? Under general provision, Title V, that was
6 passed out to us, none of these funds appropriated
7 by this Act may be used in any way, directly or
8 indirectly, to influence congressional action on any
9 legislation appropriation matters pending before
10 Congress.

11 MR. BARRY WALTON: My view is that
12 this Council can recommend anything it wants. The
13 kinds of activities that it would apply to are
14 direct communications with members of Congress or
15 communications with third parties in which you're
16 trying to encourage them -- them to communicate with
17 Congress. You can make recommendations to us,
18 whatever --

19 MR. AL MANN: This Council can?

20 MR. THOMAS GRIFFITH: Yes.

21 MR. AUSTIN CARROLL: To TVA.

22 MR. BARRY WALTON: To TVA.

23 MR. AUSTIN CARROLL: But not to
24 Congress.

25 MR. BARRY WALTON: Right. It's not

1 lobbying if you tell us that you think we should be
2 getting appropriations. It may not be --

3 MR. AL MANN: Even when you have
4 appointed the majority of the members on this
5 Council?

6 MR. BARRY WALTON: It's not
7 considered trying to influence legislation to
8 tell --

9 MR. AL MANN: I mean, I'm asking. I
10 don't know. I mean --

11 MR. BARRY WALTON: No.

12 MR. AL MANN: The question --

13 DR. STEPHEN SMITH: Can I respond?
14 If we recommend something to TVA, that's not
15 lobbying Congress. Okay. Now, then, if TVA puts me
16 on their personal plane and flies me up to -- as a
17 member of the Council wearing my Council member hat
18 to go talk to Senator Sessions and say, I want you
19 to cough up appropriations money, that's probably
20 against the law, but that's not what we're doing
21 here.

22 So, you know, I think there's a
23 distinction between whether TVA is funding us to go
24 and lobby on their behalf or whether we're making a
25 recommendation for TVA to reengage in what is in the

1 best interest of the Valley.

2 MR. BRUCE SHUPP: Roger?

3 SENATOR ROGER BEDFORD: Thank you,
4 Mr. Chairman. You know, I personally think it was a
5 very sad day when the TVA board member essentially
6 abrogated their resource stewardship
7 responsibilities to Congress when they said we don't
8 need funding. I have become very convinced that TVA
9 does require funding beyond that of the rate
10 structure of the power payers out there, and that
11 should come from Congress.

12 These seven states are a very unique
13 ecosystem, and it's something you that -- if you go
14 back to what Paul said yesterday, I mean, all of us
15 delve in politics at one level or another, and I
16 think it would be wrong of this Council not to take
17 a very, very strong statement that we want Congress
18 to relook, and, in fact, reappropriate dollars for
19 the non-power side of TVA.

20 The more we wrestle with these
21 issues, the more we learn and debate the term
22 equitable like we did yesterday, Mr. Chairman, and I
23 think that TVA must continue in its historic role of
24 resource management, that inclines economic
25 development, recreation, water quality, preserving

1 the species that are unique to this ecosystem, and I
2 would hope that the Council, as a whole, would adopt
3 a very, very strong position on that.

4 And when you look at the leadership
5 structure of the Congress and what is represented in
6 these seven states, it's a very doable proposition,
7 but it's only doable, as we say in Alabama, if they
8 hear from the branch heads, and they need to hear
9 from this Council as representing the branch heads
10 and they need to hear from the folks at home.

11 And, yes, I agree with Barry, we
12 can't get on a plane and go up there on behalf of
13 this Council and lobby them, but we can sure be a
14 voice at home and we can sure recommend from this
15 Council to TVA that that's the position that we
16 would like to see them take, and I hope that we will
17 do that. And I appreciate the work that Austin and
18 others have done going up there.

19 Thank you, Mr. Chairman.

20 MR. BRUCE SHUPP: Counsel would like
21 to make a clarification, and then we'll get to
22 Austin and anybody else.

23 MR. BARRY WALTON: One other point I
24 wanted to make, which was that this -- what was
25 being proposed was not lobbying. The other point I

1 wanted to make is that the prohibition you're
2 talking about applies to using appropriated funds to
3 carry out those activities. There are no
4 appropriated funds involved in this Council. So
5 actually -- literally it doesn't apply.

6 MR. AL MANN: I'm on your side, don't
7 get me wrong.

8 MR. BRUCE SHUPP: Austin, and then I
9 would like to make -- not a closing statement, but I
10 would like to add to this debate.

11 MR. AUSTIN CARROLL: I'm not
12 disagreeing with, you know, what's been said here,
13 and I certainly would want to be on the top of the
14 list as advocating that we do get back those
15 appropriations from Congress to take care of these
16 stewardship activities.

17 However, given what's on the table
18 right now, I mean, you just -- you don't want to be
19 politically foolish in Congress. My sense of it is,
20 and I don't like the idea of funding these programs
21 out of power funds, out of ratepayer money, but my
22 sense of it is that that is probably cheaper overall
23 doing it that way right now than what TVA might lose
24 should we, you know, try to throw appropriations in
25 the mix of what's being asked for in Congress.

1 I think we could come out losing far
2 more than, you know, the 50 to 60, \$70,000,000 that
3 TVA would get in appropriations right now by, you
4 know, being foolish politically and trying to ask
5 our Congressmen to fight for that, as well as energy
6 deregulation legislation, which would be as
7 favorable as possible to the people in the Valley.

8 MR. BRUCE SHUPP: I think we've got
9 two situations. We have got the pragmatic present
10 of what we can do as a Council to make
11 recommendations to TVA, and TVA board members have
12 told us they don't want to go after appropriations.
13 So pragmatically our recommendation should be based
14 on the other sources of revenue that Austin told us
15 we should be using for dealing with the non-power
16 programs.

17 On the other hand, I completely agree
18 with the other people that spoke, Roger and Al, that
19 we should be encouraging the TVA board to prepare
20 the arguments to go to Congress and say, this is why
21 we, TVA, should be getting federal appropriations
22 for its non-power programs.

23 Maybe that's the next role of this
24 Council is to help prepare those arguments and
25 convince the Board that they should really dig in

1 that fight and justify to Congress the need for
2 those appropriations.

3 I think if we look back at the
4 history of the TVA non-power programs and go back 30
5 to 40 years to see that those programs were
6 benefiting not only TVA and the people of the
7 Tennessee Valley but they were really a research arm
8 of the federal government doing many things to
9 benefit not only the nation but the world in aquatic
10 research and natural resource research, and many of
11 the things they were doing are still needed, that
12 the country needs right now and aren't being funded.

13 So if we can help build those
14 arguments to convince TVA that they should be
15 fighting for more non-power appropriations, I think
16 that's the role of this Council.

17 Jimmy?

18 MR. JIMMY BARNETT: Even to the idea
19 of research into weed control.

20 MR. BRUCE SHUPP: Exactly. Steve?

21 DR. STEPHEN SMITH: Yeah. You know,
22 I agree, but I think Austin said it well, that, you
23 know, in 1995 and '96 after the 1992 Energy Policy
24 Act was done and the concept of restructuring took
25 hold, people have been freaked out about electrical

1 utility restructuring for now almost a decade, about
2 it coming on like a freight train originally, and it
3 has driven, I think, in some ways to the good and in
4 some ways to the bad a lot of utility planning, but
5 the same -- there is a point at which -- whether we
6 have a national restructuring bill that actually
7 moves, I think, is questionable, we'll see, and I
8 think good people can disagree about the likelihood
9 of that happening. There are many things that
10 happen within the rubric of that which, you know,
11 play into that.

12 There's also this whole argument
13 about, you know, well, you don't want to get up and
14 mess around in Congress too much because of this,
15 that, and the other. My fear is that if we don't
16 take a very strong position and chew that up as far
17 as we can, there will always be something else that
18 will step in front of going back after the non-power
19 program funding, and I am -- I'm very concerned
20 about that, and I think that there's got to be a way
21 to elevate this to a higher level so that it -- it's
22 engaged.

23 MR. BRUCE SHUPP: We'll take Austin
24 and Roger, and then I think we ought to terminate
25 this and get on to the next subject this morning.

1 MR. AUSTIN CARROLL: In the
2 deliberations of this Council I haven't seen where
3 we have said that something should be cut out just
4 because it's coming out of power funds. I think
5 everybody shakes their head that, you know, it's a
6 shame it's coming out of power funds because it
7 really should be coming from appropriated dollars
8 like it does in other parts of the country, which to
9 me speaks to the fact that this Council has a
10 conscious that, you know, these are appropriate --
11 important and appropriate things that need to be
12 done in the Valley and I think the, you know, TVA
13 Board's thinking is the same.

14 So I know what you're saying,
15 Dr. Smith, that there is increasing pressures from
16 the power side of things to do away with the
17 stewardship activities, but the political reality is
18 that there are several -- there are several
19 thousands of people out there that are very
20 conscious like this Council is about the
21 continuation of those kinds of activities and I
22 don't -- I believe TVA would be cutting off its nose
23 to spite its face to stop the funding of those
24 activities, and so I just don't see that happening.
25 I mean, politically that would be stupid for TVA.

1 It would cost them more in the long run than they're
2 going to be saving.

3 DR. STEPHEN SMITH: But just to
4 respond to that real quick. The -- my sense is that
5 it will not be an action on a given day that TVA
6 says no. It's going to be this gradual erosion away
7 where over the years it just eats into and eats
8 into, and before you know it, you cut through the
9 fat, you cut through the muscle, then you're into
10 the bone.

11 And the other thing that I would warn
12 about is TVA's actually had a pretty good run of
13 operation for the last few years. It's been fairly
14 easy for them, you know, all things considered. You
15 go belly up economically, an economic downturn,
16 things start slowing down, you have a couple of
17 forced outages unexpected, and all of a sudden the
18 money gets really, really tight, the thing that's
19 going to get thrown overboard first, my biggest fear
20 is, some of these programs, and I don't think you
21 guys are going to come to defend these programs when
22 it really starts to cut into the rates, and that's
23 what -- and that's why I think if we don't open up
24 another revenue stream, these programs are most
25 vulnerable.

1 MR. BRUCE SHUPP: Roger, and then we
2 will close.

3 SENATOR ROGER BEDFORD: Thank you,
4 Mr. Chairman. I would say really there's two
5 issues. I mean, obviously we should all have a
6 concern that TVA is treated fairly and equitably in
7 power deregulation, I mean, that's a given, that's
8 in everybody's best interest, but the other thing is
9 that someone has to be an advocate for the non-power
10 side. Someone has to be an advocate for the
11 stakeholders that are more interested or more
12 affected on the resource stewardship side, and I
13 think this is a natural role for this Council.

14 And the more I have learned about
15 this system, the more concerned I have become that
16 when there is not an advocate, then that is the easy
17 part to cut because it is, in some people's view, a
18 cost rather than an investment.

19 So I would like us to think in terms
20 of making a very definitive statement about it, and
21 when we talk about the political realities of where
22 we are now, you know, I think it's important to
23 understand the dynamic role that TVA employees, the
24 long touse of the organization, if you will, have
25 played in helping us dismantle mass weapons of

1 destruction not just in America in the chemical
2 warfare side because of the research and development
3 we did, quote, unquote, for fertilizer and other
4 things, but also internationally the role that TVA
5 has played in that.

6 So I think perhaps it is a unique
7 time to come forward with an argument that we
8 deserve continued funding, and I would just urge us
9 in closing, and I am not going to belabor it, let's
10 make a strong statement about it, because if we
11 don't do it, who is? If not now, when?

12 Thank you, Mr. Chairman.

13 MR. BRUCE SHUPP: Roger, let's
14 clarify that, you mean before the -- this Charter
15 expires that this Council prepare a recommendation
16 to the Board, we have that -- we have until the
17 January meeting to do so.

18 SENATOR ROGER BEDFORD: Yes, sir.

19 MR. BRUCE SHUPP: All right. Go
20 ahead, Paul. I was just thinking how to do that.

21 DR. PAUL TEAGUE: I agree with you,
22 Roger, make a statement to the Board, but let me ask
23 you a question, what is it you don't understand
24 about no?

25 The Board has told you they cannot by

1 law basically go back. So where does that leave us?
2 We can make that strong statement Roger's talking
3 about and present it to TVA, but TVA cannot, under
4 the present structure, take action. It is more
5 appropriate that we individually take action, that's
6 not lobbying.

7 SENATOR ROGER BEDFORD: I agree with
8 that. I'm talking about a two-phased approach, but
9 I think we should definitively make a statement on
10 from this Council on that issue, and then perhaps
11 this Council evolves into something beyond that both
12 individually and collectively.

13 DR. STEPHEN SMITH: I'm not sure
14 that's right, Paul. I'm not sure that TVA can't
15 legally go back. I'm not sure that's the case. I
16 mean, first of all, I think TVA could prepare an
17 appropriation budget if they wanted to.

18 The other thing is that the law that
19 was made can be changed, I mean, it -- you know, so
20 it's not like this is somehow a ten commandment
21 dictate.

22 MR. BRUCE SHUPP: I think you're both
23 right. I think what you're saying is that -- we
24 think, and I think we all agree with this, that we
25 think there should be federal appropriations in

1 here, but we were told by the Board that they don't
2 think it's the time to do that. So that's the
3 barrier.

4 Now, I'm wondering if we really
5 should be making a recommendation right now, Roger,
6 that tells that Board, who believes they shouldn't
7 do it, to do it or whether the recommendation you
8 were making should be modified to say, let's build a
9 case to convince the Board that they should be going
10 forward, because I think that's where we're at.

11 I think the Board is telling us, our
12 interpretation of our status and situation with
13 Congress is that it's not a good idea for us to do
14 that. I think Austin's investigation substantiated
15 that.

16 So our obstacle right now is the
17 Board themselves saying, we don't think the timing's
18 very good, and I would say that if we could build a
19 case to overcome that so they had an argument to
20 take to Congress we could help ourselves, but I
21 don't think the timing is right to say, we
22 recommend.

23 SENATOR ROGER BEDFORD: Mr. Chairman,
24 they are spending more money today than this
25 Congress has spent since World War II. It's part of

1 the gross national product, and it's not going to
2 stop.

3 If the airline industry, which is a
4 for-profit industry, can go up and ask for a billion
5 dollar bailout, let me tell you something, everybody
6 is up there now, from the insurance companies
7 saying, it's an act of war clause, I'm not going to
8 pay these claims, get me out of punitive damages, to
9 whether or not we're going to have federalized
10 security people working or not. The House wants it
11 one way, the Senate has passed it unanimously the
12 other way. The fray is joined up there now. So
13 there's never a good time for it.

14 MR. BRUCE SHUPP: I agree.

15 SENATOR ROGER BEDFORD: But now is an
16 appropriate time, I think, to build the argument,
17 tell the Board that's what we want, and give them a
18 rational basis to justify it.

19 MR. BRUCE SHUPP: That's the point,
20 because they disagree that the timing is right now.
21 We have got to give them the rationale to do it,
22 just us wanting it ain't going to make it happen.

23 SENATOR ROGER BEDFORD: No, I agree
24 with that.

25 MR. BRUCE SHUPP: Al?

1 MR. AL MANN: What Paul said, and to
2 use the words by law, this was my understanding from
3 TVA, they could not ask for it -- by law they could
4 not do this, Stephen. Now, what's the story here?
5 I mean, is it the law they cannot or can?

6 MR. BARRY WALTON: Let me say it a
7 little differently. The appropriations process,
8 each year a new law is proposed and a new law is
9 enacted, and there's nothing to stop anyone, a
10 federal agency, we make our recommendations to the
11 Office of Management and Budget and the President or
12 a private citizen to request a change in the law.
13 It's not illegal to ask for a change in the law.

14 On the other hand, those of you who
15 have been talking on the other side of it are
16 exactly right also, that Congress has given us a
17 clear message about how they think it ought to be
18 done, and it's a matter of political judgment when
19 or if you go back to ask that to be changed.

20 You know, I think the -- you have
21 heard what the judgment of the TVA Board members
22 are, that this is not the right time to do that, but
23 that doesn't mean --

24 MR. AL MANN: But it's not law?

25 MR. THOMAS GRIFFITH: Well, the

1 current formula is written in the law, but that
2 doesn't mean it's against the law to ask for a
3 change in that formula.

4 MR. AL MANN: Okay. You answered my
5 questions, it is not against the law?

6 MR. THOMAS GRIFFITH: Right.

7 MR. BRUCE SHUPP: We're running out
8 of time, and this is an important issue, and I'm not
9 sure -- if we were a different operating style --
10 had a different operating style, we could ask Roger
11 to give us a motion and we could vote on it, that
12 would make it quite easy. We don't operate under
13 that style, so we have to decide on how we're going
14 to go forward with this, and it seems to me like we
15 need more time to prepare that, that we can't -- we
16 will never get to an end point at this rate this
17 morning.

18 Austin?

19 MR. AUSTIN CARROLL: Mr. Chairman, I
20 would be glad to, with our group, and Stephen and
21 Roger to come -- to try to work up some strategy
22 that we could come back with as a recommendation at
23 the next meeting.

24 MR. BRUCE SHUPP: Excellent. That's
25 what we're looking for is a volunteer.

1 MS. JULIE HARDIN: That's a good
2 idea.

3 MR. BRUCE SHUPP: That will work
4 fine. So we will have a recommendation on our -- at
5 the next meeting on how we proceed to advise TVA on
6 their federal appropriations.

7 MS. JULIE HARDIN: And let's put that
8 on our January agenda, Mr. Chairman.

9 MR. BRUCE SHUPP: That will be in the
10 January agenda. It will be one of the action items
11 we must complete at the January agenda. So we're
12 going to have several of those, which means we're
13 going to have to give more discussion time to that
14 agenda.

15 All right. Anything --

16 MR. GREER TIDWELL: Thank you,
17 Mr. Chairman. The only thing I would add to that
18 perhaps, and maybe it's just something I missed by
19 not being involved in the first few months of this,
20 is to ask TVA to come and essentially share with us
21 how this funding is working right now. If I missed
22 that, I will make time to come and get it
23 personally.

24 But, you know, we have got four or
25 five specific pots of money right now that the

1 funding for the stewardship program is supposed to
2 come out of, and I think to develop that basis for
3 pushing for more appropriations on stewardship
4 funding, we need to understand how that's coming
5 right now.

6 MS. KATE JACKSON: I can do that.
7 Let me clarify, there are not five pots of money out
8 of which it's coming, there are essentially two.
9 One is non-power and one is power, and we keep those
10 separate.

11 We don't have non-power much anymore
12 obviously. We have some fees that we generate,
13 some -- you know, clearing of pine beetle wood, for
14 example, is some money, and I can talk about that.

15 And, in fact, it's probably
16 appropriate given that we're at the end of the
17 fiscal year I can talk about the money we're
18 planning to spend that would have been in the
19 essential stewardship category.

20 MR. BRUCE SHUPP: Okay. Discussion
21 ended. We now -- we talked through our coffee
22 break, so there will be no formal coffee break.
23 Those that feel they have the need for coffee or
24 other needs, please do it on your own. We're going
25 to work right through the agenda.

1 We have a very important discussion
2 coming up; and that is, the approach that TVA is
3 going to take to deal with the river study, and we
4 have the project leader here to discuss that with
5 us, and that's David Nye.

6 David?

7 Pardon me, for those of you that you
8 don't know, why Phil Comer left in a hurry, his wife
9 fell, broke her knee, she's going to need surgery,
10 and Phil is rushing home to take care of that. It's
11 a darn shame that that had to happen before this
12 discussion, which was the culmination of everything
13 he's worked toward for two years. So I really feel
14 bad about not only his wife but the fact that Phil
15 has to miss this discussion. I think it's important
16 that he would have been here. It's too bad.

17 Go ahead, David.

18 MR. DAVID NYE: Let me get wired up.
19 First of all, what I'm trying to do today is to meet
20 the intent of what the Council had asked for, which
21 was a briefing on the reservoir operation study,
22 where we're at today, and where we're headed, and
23 that's what I am going to try and accomplish.

24 We have put together a core team, and
25 the first thing that core team looked at doing was

1 establishing a purpose statement for us to work
2 from, something to stay focused on, something that
3 we work from on a daily basis as we go forward.
4 That core team represents a large number of
5 disciplines within TVA to make sure we're focused on
6 the comprehensive side of what we're trying to
7 accomplish with the reservoir operation study.

8 The statement itself is based on the
9 recommendations that we received from the Regional
10 Resource Stewardship Council, as well as the
11 response by Director Harris at the last meeting.
12 The purpose of this comprehensive study is to
13 determine if changes in the reservoir operating
14 policies could create greater overall value for TVA
15 customers and stakeholders. This should be
16 accomplished without impacting gains in water
17 quality while maintaining our commitment to flood
18 risk reduction.

19 I fully expect that as we go forward
20 what that purpose statement means to some people
21 will adjust somewhat, and we're willing to adjust as
22 we go forward with it, but it gives us a good
23 starting point and it gives us a place to stay
24 focused as a core team while we're making sure we
25 put together all of the pieces.

1 Any general comments on that?

2 I'll talk a little bit about the
3 progress we have made to date. Some of this is
4 going to be a little bit repetitive from the
5 discussions we had last night, and I apologize for
6 that, but some people may not have been here and it
7 may be important to hear all of that.

8 We have a phase one contract that's
9 been awarded. As we talked last night, a group of
10 members from the Council itself participated in
11 reviewing the potential contractors, gave us some
12 good advice that we were able to use, and as a
13 result of that we went forward and made a
14 recommendation for an award, and, in fact, have put
15 that contract in place.

16 The deliverables include framework
17 for a project management plan, as well as a public
18 input and communications plan. As I said, we had an
19 ad hoc task group from the Regional Resource
20 Stewardship Council that participated in those
21 reviews.

22 The draft deliverables, those two
23 packages, are due today from our contractor. We
24 have met with them twice to have discussions about
25 those deliverables to make sure that we had a good

1 understanding.

2 Our approach to this point has been
3 to not have more contact with the vendor than we
4 needed because we're after their independent
5 thinking. TVA has gone through the NEPA process
6 before. You have heard about a number of occasions
7 where we have used it. Our intent here was to not
8 so much look at what we have done in the past but to
9 see what others have done and what others would
10 recommend we do and to roll those in with our
11 thinking. So we have not worked with the vendor
12 much at all on the packages they are providing to us
13 today.

14 Our intent is to work between
15 October 26, today, and the final delivery of those
16 two deliverables in a -- a much more collaborative
17 manner to come up with what those packages should
18 really have, in other words, a real project plan
19 that we can go forward with, and hopefully a real
20 public input and communications plan that we will go
21 forward with.

22 Our intent is to, as much as we can,
23 pull the technical portions of those two reports out
24 and put them into a request for proposal for phase
25 two. Our timing is to have this final in our hands

1 by December 8th, with the intent of taking those
2 technical sections out prior to the holiday season
3 and starting our 30-day bid period through the
4 holidays to the end of January. It's fairly
5 aggressive.

6 The intent then is to have those
7 packages back the first part of February, and by the
8 end of February have contract -- a contract in place
9 or contracts in place to go forward with the
10 remaining scope of the work. That also is
11 aggressive.

12 To go back and talk just a little bit
13 about that phase one contract, we had 30 potential
14 bidders, only four bid on the work, and we were able
15 to get through and do a review in a week's time and
16 make an award.

17 I expect we will have more bidders
18 that will actually participate in this second phase.
19 There will be more money involved. It'll be a more
20 lucrative contract, I'm sure, for consultants to
21 become involved in, and a two-week review period
22 with one week to get to a best and final is pretty
23 aggressive on the number of bids that we would
24 anticipate. We're still going to go forward and
25 push for that though.

1 In addition to that phase one
2 contract and getting ready for a phase two contract,
3 we have three major areas where we're working on
4 tool development. These are all areas that were
5 started prior to the request for the study, and what
6 we're really trying to do in those three areas is to
7 accelerate the development of those tools, the water
8 quality model development, flood risk model
9 development, and economic value process.

10 The water quality model, we have a
11 number of individual reservoirs already modeled with
12 respect to water quality. We're trying to get as
13 many of the remaining reservoirs modeled and tied
14 together in a single full stem model where we can
15 run cause and effect all the way through the model
16 with respect to water quality.

17 It's a -- it's something that, again,
18 from an individual reservoir or from a small group
19 of reservoirs has been done before. It has not been
20 attempted on a system the size of what we're trying
21 to do. It's fairly complex. It is a computer
22 model. It does take a lot of time to crunch through
23 it, and that's why we're trying to accelerate its
24 development and accelerate our ability to run the
25 model.

1 The flood risk model, we have
2 actually had four experts from across the country
3 come in to advise us on how best to approach a flood
4 risk model to get to tools that can really deal with
5 seasonal flood risks. They have told us that it's
6 been done before. They have told us that what we're
7 attempting to do is reasonable to think that we
8 could do it, but they have never seen it done on the
9 scale that we're attempting to do. And again, the
10 modeling itself will be fairly large in size.

11 So, again, they have advised us that
12 the approach -- they have advised us on the approach
13 we should take and that it can be done, but they
14 have also advised us that it's extremely aggressive
15 to try and do it in the time frame that we're
16 looking at. Again, that's why we're trying to
17 accelerate that one. We feel that it's very
18 important to include that based on the requests
19 that's come from the Council.

20 The last area is economic value. We
21 have had a group of economists working with us in
22 this area, and specifically, what they're focused on
23 is the methodologies for coming up with the
24 appropriate economic value for the various benefits
25 that the reservoir operation provides to various

1 entities.

2 We're trying to come up with a fair
3 and equitable way of dealing with the trade-offs
4 that we expect would come about as a result of
5 looking at various alternatives.

6 Questions about our progress to date?

7 The last area that I really wanted to
8 talk to you about today we kind of went into at
9 length last evening. This is dealing with your
10 recommendation that TVA incorporate public
11 participation in its study to ensure credibility in
12 those studies. I think you actually went farther in
13 the words, and I'm not sure if I have got them with
14 me or not.

15 We recommend that this include
16 forming one or more ad hoc committees, which would
17 include, among others, members of the Council be
18 formed to help ensure such participation.

19 Based on last evening's discussion, I
20 have gone ahead and drafted up some notes on the
21 position that I heard taken. I would like to go
22 over those, and then if there's anything we need to
23 add to them or clarification, I'd like to take care
24 of that this morning, if we could.

25 I heard, do not restrict membership

1 based on positions in organizations or corporate
2 company affiliation, was a fairly strong
3 recommendation from the group.

4 I heard to utilize a pool of
5 participants with primary and secondary
6 representatives for the areas of interests. In this
7 area, what I understood was if we had primary and
8 secondary we could get as close as we could to
9 maintaining a core group, if possible. We would end
10 up with some diversity, some dynamics in what went
11 on, but at least we had the opportunity, if we
12 people were available and if the meetings weren't as
13 often as I anticipate, to try and hang together with
14 a core group.

15 Limit the meetings as much as
16 possible, and I have no problem making a commitment
17 to the team that we put together this public review
18 group to limit those meetings as much as I possibly
19 can. Make sure we focus on those things that are
20 very, very important to us as opposed to every
21 little thing.

22 I heard the Council was willing to
23 recommend participants from within, as well at
24 large, and recognizes TVA may need other specialists
25 in this group.

1 The last thing I heard was the public
2 review group would be individuals and not a
3 subcommittee of the Regional Resource Stewardship
4 Council.

5 That's what I took away from last
6 night's discussion. Are there any things that I
7 need to add to that, any other conditions that we
8 need to put on it?

9 MR. BRUCE SHUPP: Greer?

10 MR. GREER TIDWELL: Thanks,
11 Mr. Chairman. David, I didn't really hear that last
12 point, and maybe I just didn't listen well when
13 somebody was saying it, but I raised the question of
14 why couldn't it be a subcommittee and I never heard
15 an answer that convinced me that it shouldn't be a
16 subcommittee.

17 MR. BRUCE SHUPP: We did discuss
18 that. Yeah, I think it became a FICA issue.

19 MR. BARRY WALTON: That was the issue
20 that I thought we had discussed yesterday, that a
21 subcommittee must be chartered independently as a
22 Federal Advisory Committee if it gives advice
23 directly to the federal agency. The subcommittee --

24 MR. GREER TIDWELL: No. I think the
25 language is if it gives recommendations to the

1 federal agency, which is very different than working
2 together just as the group got together and worked
3 with David Nye and his team to look at the selection
4 process for the contractor. I think this
5 subcommittee could work in a way without getting to
6 the point of writing up specific recommendations of
7 this nature.

8 MR. BRUCE SHUPP: As I recall the
9 discussion, we talked about the need for the
10 fluidity of the advice to the group, and if it was a
11 subgroup of the Council it would have to come back
12 and report back to the Council unless we charged it
13 in a different way.

14 The way we operate now is the
15 subgroup comes back and makes recommendations and
16 the Council acts, and I think what they're asking
17 for is advisors that can sit in a meeting with David
18 and his team and at that moment say, we agree this
19 is the way to go, and they decide that. They don't
20 have to come back and report back to the Council.
21 That's the flexibility I see we're looking for.

22 MR. DAVID NYE: Yes.

23 MR. BRUCE SHUPP: So, therefore, they
24 would be acting as individuals -- unstructured
25 individuals, as we said yesterday, that wouldn't

1 be -- they would be giving personal advice to them
2 and not counting votes or doing it in any kind of a
3 formal way.

4 Is there any other differences of
5 opinion of any of the other segments of that,
6 because I think we ought to go on record as agreeing
7 as a Council that David has captured what the
8 Council thinks would be a proper way to go with the
9 advisory group.

10 Hearing no further -- Julie, were you
11 going to mention something?

12 MS. JULIE HARDIN: You mean how the
13 Council should go with the peer review group, not
14 advisory group, right -- I mean, the public review
15 group, right?

16 MR. BRUCE SHUPP: Yes.

17 MS. JULIE HARDIN: Okay.

18 MR. BRUCE SHUPP: Hearing no further
19 objections, then the Council endorses your list of
20 criteria.

21 MR. DAVID NYE: With that
22 endorsement, I guess we need to continue on with the
23 rest of requests, and I believe I would be speaking
24 to the Chairman requesting a conduit probably
25 through you, Bruce, of nominations from the Council

1 who we might have as primary and secondary
2 representatives.

3 MR. BRUCE SHUPP: That's going to be
4 in our discussion. I have to -- we have to deal
5 with that and how we're going to make those
6 nominations, that will be in the discussion section
7 coming up next.

8 MR. DAVID NYE: Okay. Is there
9 anything else you need from me with respect to that
10 discussion?

11 MR. BRUCE SHUPP: You will be here.

12 MR. DAVID NYE: I'll be here. Is
13 there any questions about the study?

14 I know I haven't given you a whole
15 lot. I have given you the three major areas that
16 we're concentrating on, plus getting into the phase
17 two contract, but that is essentially our focus, is
18 how quickly we can accelerate these three major
19 areas with respect to tool development, not actual
20 alternative development in how to run the system,
21 but in a tool development to prepare us for that.
22 By the NEPA process, that's really as far as we can
23 go until we've had the public comment -- the open
24 public comment period.

25 MR. BRUCE SHUPP: Questions?

1 Discussion?

2 Thank you. We now -- we got back on
3 schedule. We can take a 15-minute break.

4 DR. KATE JACKSON: Let me mention one
5 other thing, you now have 11 Council members in the
6 room. Under the Charter you need 11 members for a
7 quorum. If any of one of you evaporates, you're
8 going to have trouble making recommendations, so
9 there's some pressure to stay.

10 (Brief recess.)

11 MR. BRUCE SHUPP: Let's get our seats
12 and get moving again. We're missing two. Who is
13 missing? Austin and Steve.

14 MR. GREER TIDWELL: Steve and Austin.

15 MR. DAVE WAHUS: Would you check out
16 there and see if they --

17 MR. BRUCE SHUPP: We can begin the
18 discussion since we're not ready to make decisions
19 yet. The facilitator, Dave Wahus, is going to lead
20 these discussions. We have got four items and Dave
21 will tell you what we're trying to achieve with
22 each.

23 MR. DAVE WAHUS: Thank you, Bruce.
24 Let me first tell you what the four items are. One
25 we're going to discuss and would like to get your

1 approval on, if you chose to do so, is on the IRM
2 recommendation of the operation study -- the
3 reservoir operation study that we discussed briefly
4 this morning, it was presented yesterday, and I
5 would --

6 SENATOR ROGER BEDFORD: Mr. Chairman,
7 on that point, we have distributed a better copy.

8 MR. DAVE WAHUS: So all of you should
9 find a new copy in front of you, if you didn't have
10 it before we took the break.

11 Secondly we will discuss and come to
12 a conclusion on the water quality recommendation on
13 biodiversity that we had -- that was presented
14 yesterday and had some discussion on.

15 Third there will be a discussion on
16 your position, and Bruce would like to see a
17 consensus on should the Council -- do you think the
18 Council should be continued or not, and there will
19 be some follow-up questions on that.

20 And then lastly to discuss a process
21 and come to an agreement on a process for nominating
22 advisors for the reservoir operation study.

23 Bruce asked me to remind you of a
24 couple of things. All of these issues are
25 important. We have about an hour and a half if we

1 follow the agenda in which to deal with this. So if
2 we take an hour on one issue, it's going to reduce
3 the amount on the others, however, I don't think
4 it'll be necessary.

5 And then the last thing is that we
6 have to come to an agreement either to throw it away
7 or to recommend, and certainly we can make some
8 modifications along with the way as we have in the
9 past as we discuss these recommendations.

10 Does anyone have anything else that
11 needs to be discussed during this session? Any
12 other issues or subjects that we missed?

13 MS. JULIE HARDIN: I just want to
14 clarify one thing. You did say that we're going to
15 discuss the process by which we nominate members to
16 the public review group?

17 MR. DAVE WAHUS: Yes.

18 MR. BRUCE SHUPP: Julie, I think that
19 was members of the public group?

20 MS. JULIE HARDIN: Right. Members
21 of, right. Thank you.

22 MR. DAVE WAHUS: Okay. The first
23 issue is the integrated river management
24 subcommittee has made a recommendation, and you will
25 note that there have been a little bit of wording --

1 some wording change in the first one, that the
2 Council has -- they recommend to the Council a
3 consideration of changing the winter pool level from
4 354 to 355, an elevation on Kentucky Lake, to aide
5 in navigation of the waters below Pickwick Dam be
6 added to the reservoir operation study.

7 Then the second recommendation is to
8 include in the TVA reservoir operation study
9 consideration of the flow requirements, and you can
10 read the rest of it. I don't need to read that to
11 you. I will give you a second if you wish to do
12 that.

13 DR. PAUL TEAGUE: I recommend we
14 accept those, Mr. Chairman.

15 MR. DAVE WAHUS: We have a
16 recommendation that -- does --

17 SENATOR ROGER BEDFORD: Second.

18 MR. DAVE WAHUS: Does anyone have any
19 comments or any discussion? Do I hear any
20 opposition to accepting these recommendations?

21 Seeing none, Mr. Chairman, that
22 recommendation is accepted.

23 MR. AL MANN: Do you have 11 people
24 here?

25 MR. DAVE WAHUS: Yes. I just looked

1 and you do have --

2 MS. JULIE HARDIN: I think we just
3 have ten, don't we?

4 MR. DAVE WAHUS: Well, let's wait a
5 minute then.

6 MR. BARRY WALTON: I guess you're
7 going to have to ratify that when you get a quorum
8 in the room.

9 MR. DAVE WAHUS: Okay. We will go
10 over that when Stephen returns.

11 MS. JULIE HARDIN: Yeah, Steve makes
12 11.

13 SENATOR ROGER BEDFORD: Can we send
14 someone out to round up Stephen?

15 MR. BRUCE SHUPP: He's in his room
16 downloading something.

17 MR. DAVE WAHUS: When he comes back
18 I'll review the extensive discussion that you had
19 and what the recommendation and the second was, and
20 then we will have the quorum.

21 The next issue then that we need to
22 discuss is the water quality subcommittee's
23 recommendation on approving biodiversity in the
24 Tennessee river system. First, before we get
25 started, we will discuss it in some detail or ask

1 you about the background, if there are any issues
2 there, and then we'll go through the recommendations
3 one at a time to see if there are any further
4 discussion on that.

5 Are there any general comments before
6 we start that process?

7 Okay. Any discussion or any issues
8 on the background that anybody wishes to deal with?

9 Let's then proceed to the
10 recommendations, hearing none, and the
11 recommendations basically says that the water
12 quality subcommittee affirms the importance and
13 priority of the Tennessee -- let me get this up here
14 so we can see it -- of the Tennessee River system's
15 existing aquatic biodiversity and restoring, insofar
16 as possible, its historic biodiversity, we recommend
17 TVA take the following actions. I will open the
18 floor up for any discussion.

19 MR. AL MANN: I agree with what Lee
20 Baker said yesterday, insofar as practical. And
21 then I have a problem with No. 1, put a period
22 behind Endangered Species Act, period, because I
23 think you're being redundant with the rest of that,
24 but that's just my opinion.

25 MR. DAVE WAHUS: Okay. Let's deal

1 with the first issue first about changing the word
2 possible to practical.

3 SENATOR ROGER BEDFORD: I think
4 that's more appropriate.

5 MR. BRUCE SHUPP: It also may be
6 redundant, as Al said, with the Endangered Species
7 Act because the Endangered Species Act sets the
8 standard for that recovery.

9 MR. AL MANN: That's right.

10 MR. BRUCE SHUPP: And I think what
11 this is attempting to do, Jimmy, correct me if I'm
12 wrong, but the discussions we had at the meeting was
13 really to encourage -- to encourage TVA to be a
14 leader among the natural resource groups it works
15 with in the Valley to coordinate these efforts to
16 achieve the goals in the most practical way, and I
17 think that's really what it's saying. It wasn't
18 asking them to do anything really extremely
19 different than what the Endangered Species Act for
20 the Fish & Wildlife Service requires.

21 SENATOR ROGER BEDFORD: Well, I agree
22 with that in two points on that. One is, I mean,
23 most things are possible if you have got enough
24 money, time, and commitment, you know, but it may
25 not be practical. So I think the practical is more

1 appropriate.

2 And also, I think one and six tie in
3 together because I think it's so important that not
4 only do they maintain their role but that they
5 somehow data bank that where it's successful to
6 others to institutionalize the memory of what
7 they've done and how they've done it for others to
8 learn from and draw on.

9 MR. DAVE WAHUS: Okay. Do I hear any
10 objection to changing the word possible to
11 practical?

12 MR. JIMMY BARNETT: I'll just comment
13 that we had a debate within the subcommittee about
14 that particular thing, and it was felt that insofar
15 as possible was a little stronger than practical.
16 My personal opinion, I was practical.

17 MR. DAVE WAHUS: Okay.

18 MR. JIMMY BARNETT: May I have one of
19 the subcommittee members say something?

20 MR. DAVE WAHUS: Certainly. Before
21 you do, let me just review, Stephen, what we have
22 started doing here. We have four issues to discuss
23 today. One is the integrated river management
24 subcommittee's recommendation we talked about, we
25 have discussed that, and when we get done with this

1 recommendation I'll go back and review that and then
2 we will have a vote on that or we'll reach a
3 consensus. We're talking now on the biodiversity
4 recommendation that was presented, and then we will
5 discuss whether the Council thinks the Council
6 should be continued past 4 February, 2 February,
7 whatever it is, and then lastly discuss and develop
8 the nomination for -- a process for nominating
9 advisors or members to the public review committee.

10 Now, we have started the discussion
11 on the biodiversity and suggesting that the word
12 possible be changed to practical.

13 MR. AXEL RINGE: I have given some
14 thought to this after our exchange yesterday, and
15 the reason the word possible is in there, and I just
16 want to put this into context just to give you some
17 basis for further discussion on this, this sort
18 of -- this issue sort of came up back in the 1970's
19 when TVA began construction of the Tellico Dam and
20 the whole issue with the snail darter came up, and
21 as you probably all recall, that resulted in
22 Congress' convening what was called the God squad at
23 that time because it was believed, at least at the
24 time, that the snail darter only existed in the area
25 that was being -- would be covered by Tellico

1 Reservoir and that closing the dam and filling that
2 reservoir would result in the extinction of that
3 species. Fortunately, that turned out not to be the
4 case, and the snail darter is well and thriving in
5 other parts of the Valley.

6 But to my mind, the extinction of a
7 species is a very serious matter. This planet
8 has -- is only endowed with a certain number of
9 species, and I don't know how many of you are aware,
10 we are losing species at a rate of approximately a
11 thousand times what is considered to be the
12 background rate over time, and that increased rate
13 is a direct result of human activities on this
14 planet.

15 I think that the human species, as a
16 whole, can ill afford to lose any species because we
17 don't know where the break point is going to be when
18 the ecosystem functions start nose diving because of
19 the cumulative loss of species. That is the why the
20 word possible was put in there, simply to emphasize
21 the very seriousness of that issue and to make -- to
22 put this issue high enough on TVA's list of
23 priorities that we don't get into a situation
24 comparable to the Tellico Dam situation again.

25 MR. DAVE WAHUS: Thank you. Any

1 comments? Any discussion?

2 The issue then is, do you want
3 possible or practical? The suggestion has been that
4 we change the word to practical.

5 Julie?

6 MS. JULIE HARDIN: Being one who was
7 a snail darter, so to speak, and with David Etmire
8 (phonetic) when he discovered the snail darter, et
9 cetera, back in the '70s, I really do want to go
10 with what Axel just said and not do practical but
11 keep it at possible. I think he defended that word
12 eloquently just in the last few minutes.

13 MR. DAVE WAHUS: Lee?

14 MR. LEE BAKER: Obviously I disagree.
15 A human being is a species also, and there's a point
16 at which practicality has to come into play. And I
17 would be very opposed to leaving the word possible
18 in because that opens up another snail darter type
19 of fiasco, if you will, and I'm not at all
20 comfortable with possible, but I can take practical.

21 MR. DAVE WAHUS: Any other comments?

22 The proposal was to change -- I have
23 heard one objection. Do I hear any other
24 objections?

25 DR. STEPHEN SMITH: I mean, I'm not

1 in favor of changing it. I think that -- I think
2 possible is the right word. I'm wondering if
3 there's a word even between possible and practical
4 because I understand that -- I mean, I understand --
5 the way I understand practical is, you know, we will
6 preserve a species until it ends up costing us some
7 money, and then, you know, to hell with it, and
8 that's not what I think -- you know, I think the
9 thing should be. If there's something in between
10 that, because I know where they're going.

11 MR. DAVE WAHUS: Bruce, do you have
12 something in between that?

13 MR. BRUCE SHUPP: No. There is no in
14 between unfortunately, and that's the problem with
15 the endangered species program as it exists in our
16 nation right now. There's extremes on both sides,
17 either you let it go and it disappears or you make
18 valiant attempts to save it. Some of those valiant
19 attempts are probably a waste of money, and that's
20 where the practical approach comes in.

21 I don't see that the possible as --
22 giving up the word possible is telling TVA it's all
23 right to let things go, giving up the word possible
24 to me means that it is isn't all right to spend an
25 unlimited amounts of money and resources on a

1 species that really can't be saved anyway. So I
2 think practical makes sense, and I think it's a
3 compromise that the Council can make to get to an
4 end point on the recommendation without really
5 sacrificing the affirmation of the importance of
6 saving an endangered species.

7 MR. DAVE WAHUS: Greer?

8 MR. GREER TIDWELL: Yeah, David, I
9 think there is a word in between there, and that
10 would be, in fact, to take out that whole clause of
11 insofar as anything, in which case the statement
12 would be that we affirm the importance and priority
13 of protecting the biodiversity and restoring its
14 historical biodiversity.

15 I think that's what -- the committee
16 was trying to do, as I have been listening, was to
17 make sure we go on record pushing TVA to keep its
18 efforts in place, not just to wait for the dam and
19 the snail darter conflict to come up, but to go
20 forward with its current levels of biodiversity work
21 because it's important and is a priority.

22 MR. DAVE WAHUS: Responses to that?
23 Julie?

24 MS. JULIE HARDIN: Yes. There is no
25 doubt that the snail darter was a red herring. What

1 we were really fighting to save was the ecosystem of
2 the river and some Cherokee burial ground, et
3 cetera. We jumped on the snail darter as a legal
4 way to win this in the Supreme Court.

5 And I bow to Lee and say, yeah, we
6 might have wasted a lot of money and so forth, but I
7 will never regret trying to be a part of that --
8 remembering that we are only in a large web of
9 species. Yes, we are a species, but we are also
10 destroying other species. And I agree completely,
11 Greer, with what you suggested that we do.

12 MR. DAVE WAHUS: Okay. Steve?

13 DR. STEPHEN SMITH: Yeah. I think
14 the whole discussion about what happened at Tellico
15 is probably a mute point because, you know, you
16 don't even need to look at the snail darter to
17 realize that Tellico was a fiasco from the get-go.

18 But the point here, I mean, I don't
19 necessarily have a problem at all with removing the
20 insofar component of that, I mean, I think that's
21 acceptable.

22 I mean, again, we're not asking for
23 TVA to ratchet up and go off and do vast
24 expenditures on biodiversity. We're asking them --
25 we want the signal that this is an important issue

1 and we want to maintain their commitment to
2 preserving biodiversity in this region because we
3 happen to be blessed with some of the most
4 significant biodiversity of anywhere in the country
5 in an aquatic ecosystem.

6 So in many ways because we have
7 dropped those concrete slabs in the river, and,
8 yeah, we're humans, but that doesn't mean that our
9 role as humans is to wipe other species off the face
10 of the earth. We dropped the concrete slabs in the
11 river, we have a responsibility to make sure that
12 the species that are being adversely impacted by
13 those concrete slabs are actually not eliminated
14 from the face of the earth.

15 MR. DAVE WAHUS: Jimmy, did you
16 indicate --

17 MR. JIMMY BARNETT: Yeah. In reading
18 it four or five times here, it's possible that
19 Greer's comment of taking that whole phrase out
20 would take out the problem with the word possible
21 versus the word practical and still gets the sense
22 of what we're talking about over.

23 I understand where we came from. I
24 understand Axel's comments and Julie's comments and
25 am more prone to, since I have been working with

1 this particular group, to agree with them, but I
2 still wanted practical rather than possible, but
3 taking the whole thing out, I recommend that myself.

4 MR. DAVE WAHUS: Kate?

5 MS. KATE JACKSON: Just a clarifying
6 question, I guess. What I hear you saying is
7 slightly different than if you come to what it now
8 says without having any discussion.

9 Let me -- the words that I heard you
10 say are you want to emphasize the importance of
11 TVA's current programs in issues of threatened and
12 endangered species and in biodiversity and make sure
13 that we understand the importance of a continued
14 focus on those issues, that's what I have heard.

15 When you -- now go back without the
16 benefit of any of the things that you-all have just
17 talked about and read that recommendation and don't
18 make any assumptions about what you think it means,
19 listen to what it says.

20 The subcommittee affirms the
21 importance of the priority of protecting the
22 Tennessee River system's existing aquatic
23 biodiversity and restoring its historical
24 biodiversity.

25 Do you want to clarify that at all

1 for us?

2 Let me caution you, I am going to
3 have a problem with that because it can be
4 interpreted by others to the extreme with respect to
5 those slabs of concrete, and I can't go there with
6 you.

7 SENATOR ROGER BEDFORD: Mr. Chairman.

8 MR. DAVE WAHUS: Go ahead.

9 SENATOR ROGER BEDFORD: You know, I
10 personally believe that anytime a note is lost in
11 the symphony of life that the quality of the tune's
12 affected, but I believe it's our Charter, and I
13 believe in this more and more the further I go, and
14 I think Kate just affirmed it, if we're going to be
15 effective, we need to decide not just that we want
16 vanilla but that we want some parameters.

17 I mean, it's pretty vanilla to say,
18 restoring its historic biodiversity, but it gives no
19 direction as to what grade or flavor that really is.
20 I would hope that this Council would take more of a
21 specific role of recommending either go this way, go
22 that way, too much, too little, too big, too small,
23 and I think that's what we do when we debate whether
24 possible or practical, and I would encourage us to
25 stay with trying to define more the role, and I

1 think practical does that.

2 And I think the more we can start
3 defining it, perhaps the more value we have to TVA
4 itself and the more we accomplish submission of
5 our -- I guess our Charter for this organization.

6 MR. DAVE WAHUS: Go ahead, Stephen.

7 DR. STEPHEN SMITH: Yeah. Let me be
8 real clear. The -- I don't think the intention
9 is -- and Kate, if what I understand you saying is
10 that restoring its historical biodiversity would be
11 an unlimited undertaking that could be extremely
12 costly and -- you know, I mean, TVA could spend vast
13 resources, is that what I'm hearing your concern is,
14 that it's wide open?

15 MS. KATE JACKSON: That's a piece of
16 the concern. The additional concern is if you-all
17 are on record on unbounded recovery of the
18 historical biodiversity in this river, that's a big
19 statement, and I want to make sure you want to make
20 that statement.

21 DR. STEPHEN SMITH: And I guess --
22 well, I think that would be a noble undertaking. I
23 don't understand -- I understand that TVA is not
24 going to do it, and so I think that we would be --
25 and I can't speak for everybody, but I think that if

1 there is not a word between possible and practical
2 and the overall gist of this recommendation we
3 don't -- we want it to go through. We would accept
4 the word practical to move it forward, because I
5 think the spirit has been clearly defined here.

6 My sense is there is always going to
7 be a debate from those who don't want to spend any
8 money preserving species and others who feel that it
9 is important and the thing to do. So we're willing
10 to accept the term practical.

11 MR. DAVE WAHUS: Paul? Austin?

12 DR. PAUL TEAGUE: In response to
13 Stephen's, if it costs a few dollars, to hell with
14 it, the snail darter, the cost figure I saw was over
15 \$10,000,000, and that's more than just a few
16 dollars. Practical, I think, is very appropriate.
17 And practical and possible is the difference from
18 stupidity and common sense, in my opinion.

19 DR. STEPHEN SMITH: How much did the
20 Tellico project cost in total, that's the definition
21 of stupidity, is the whole Tellico project.

22 MR. DAVE WAHUS: Austin?

23 MR. AUSTIN CARROLL: I guess it's a
24 moot issue if everybody is willing to accept
25 practical, which I would go along with. I was just

1 going to suggest that we try and come up with
2 something in between to say that TVA would make, you
3 know, all reasonable efforts or something to restore
4 its historical biodiversity.

5 MR. DAVE WAHUS: Lee?

6 MR. LEE BAKER: I want to agree with
7 Paul, he had his sign up quicker than me, and
8 challenged Stephen on -- that just because I might
9 take a position of practical doesn't mean I'm in
10 favor of going out and destroying species, you know,
11 and that's the problem this debate gets into
12 frequently is if you don't -- if someone in my
13 position doesn't agree in totality with your
14 position, then instantly we are tagged as wanting to
15 go out and destroy species.

16 My point is exactly what Paul's is,
17 it's a matter of being practical. And I understand
18 you and I might disagree on what practical is and
19 what common sense is, but, you know, millions of
20 dollars does not make sense.

21 You know, species, I suspect, will
22 come and go, and we can't preserve all of that, but
23 just because someone wants to take a different
24 position certainly doesn't mean they need to be
25 tagged as someone who is in favor of going out and

1 not spending a penny to preserve species. I enjoy
2 nature and I enjoy species, too, so I resent that
3 implication.

4 MR. DAVE WAHUS: Steve?

5 DR. STEPHEN SMITH: Well, again, I
6 think we're coming -- I mean, the term -- I mean,
7 practical and reasonable are probably about the
8 same.

9 I think the point is when you start
10 playing God with, you know, a species is only worth
11 X amount of dollars, I think we're in real trouble
12 here. And, I mean, I know there is an upper limit,
13 but, you know, we -- the point is that we need to do
14 what we can do to prevent destroying the web life
15 because it's not just a matter a few species coming
16 and going.

17 If you heard what Axel said, the rate
18 at which extinction is taking place across the world
19 is grossly accelerated, and we're not just talking
20 about the natural loss of a species here and a
21 species there. We are losing them at an
22 extraordinary rate, and in the Tennessee Valley
23 there are very unique species, beyond the small
24 darter, that are in peril, and I think TVA has a
25 responsibility to move on that.

1 We will accept practical to get this
2 through, but I think it's an important thing to move
3 forward.

4 MR. DAVE WAHUS: Roger?

5 SENATOR ROGER BEDFORD: I would just
6 try to bring the debate a little bit more back to
7 the document we're working on. If you look at it in
8 its overall context, what this is is a lead-in
9 paragraph to the more specific recommendations
10 below, and I think it's important to say, as much as
11 practical we want you to do these things down here,
12 because whether we like it or not, Tennessee --
13 excuse me, the Board is going to do what's
14 practical.

15 So I think by us saying practical
16 gives them some type of definition of what resources
17 we expect them to do in the following seven areas,
18 and I think if you say, as much as possible, any one
19 of these seven -- you know, if you're willing to
20 spend the money and the time, just about anything is
21 possible, but that's not the role we expect TVA to
22 play. And so I would hope that we would go along
23 and say practical and then focus on what the seven
24 things are we want them to do with those resources
25 and would move this debate along in that direction.

1 Thank you, Mr. Chairman.

2 DR. PAUL TEAGUE: With them accepting
3 practical, I recommend that we accept this draft.

4 MR. DAVE WAHUS: We're talking about
5 this piece of it right here, the introduction?

6 DR. PAUL TEAGUE: The whole thing.

7 DR. STEPHEN SMITH: Let's take the
8 whole thing.

9 SENATOR ROGER BEDFORD: I agree.

10 MR. DAVE WAHUS: Do I hear any
11 objection?

12 MR. LEE BAKER: Well, I've just got
13 one question. There was the statement, and I don't
14 have an opinion, quite honestly, strange as that may
15 seem, on the first statement someone suggested, I
16 don't even remember who, striking the last part of
17 Endangered Species Act, period.

18 MR. DAVE WAHUS: Al suggested it.

19 MR. LEE BAKER: Was or was that not
20 going to happen?

21 MR. DAVE WAHUS: Let's address that
22 before we -- Al suggested, and correct me if I
23 interpret your proposal incorrectly, that you put a
24 period after Endangered Species Act right here, and
25 then strike, by continuing existing efforts, through

1 the end of that sentence, and I believe the
2 rationale was that that was redundant.

3 DR. STEPHEN SMITH: No, we would
4 strongly oppose that. That is an important part of
5 the whole thing. I don't think -- yeah.

6 MR. DAVE WAHUS: Okay.

7 DR. STEPHEN SMITH: We would like to
8 keep it as is. We accept practical.

9 MR. DAVE WAHUS: Do I hear any
10 opposition to the recommendation with the
11 introduction and the seven parts as then presented,
12 with the exception of changing the word possible to
13 practical as you see it here on the screen? Any
14 objections?

15 Yes, Julie?

16 MS. JULIE HARDIN: No, I don't have
17 an objection at all. That's all right, Dave, I
18 understand. I just want to go back to say two
19 things in this discussion before we come to a
20 consensus.

21 Jimmy, when you presented this
22 yesterday, I was very touched by your saying, I was
23 appalled by how much biodiversity there is in our
24 river systems, and also, remember the title of our
25 role, stewardship Council members, stewardship

1 Council members, and I think we need to be good
2 stewards of our whole Valley.

3 MR. DAVE WAHUS: Okay. Thank you.
4 Any other comments? Do I hear any objection to --
5 I'm sorry. Lee?

6 MR. LEE BAKER: I'm just not quite
7 clear. Are you leaving it in or taking it out or
8 doing everything except one or what?

9 I guess -- well, answer that, and
10 then I may have another question.

11 MR. DAVE WAHUS: The recommendation,
12 as I understand that the group wants, is existing
13 aquatic biodiversity and restoring insofar as
14 practical its historic biodiversity. So the only
15 change then would be changing possible to practical.

16 MR. LEE BAKER: To the whole thing?

17 MR. DAVE WAHUS: To the whole thing.

18 MR. LEE BAKER: Then I do have a
19 question.

20 MR. DAVE WAHUS: Okay.

21 MR. LEE BAKER: Because Al made a
22 point that didn't seem unreasonable to me, and yet,
23 Steve seems hell bent to go to war on it. So I
24 would like to know why it's so darn important that
25 that last part be -- paragraph one, what does

1 that -- Al's point seemed rational.

2 Endangered Species Act, obviously
3 you're going to have to comply with that. You want
4 to comply with that. It's not that -- I don't think
5 anybody is trying to get around that.

6 What does the second part of that
7 sentence do that the first part -- that is so
8 important that the first part doesn't do? I just
9 would like to hear that explanation before I agree
10 to it.

11 MR. DAVE WAHUS: Let me turn to one
12 of the experts. Lee or Jimmy?

13 MR. JIMMY BARNETT: I'm going to
14 defer to the expert Axel.

15 DR. STEPHEN SMITH: I think what you
16 have here is you have the work of, you know, a
17 subcommittee making a recommendation, and I don't
18 know that it's -- it's dramatic in the sense --
19 because, again, it's -- but I think that it is
20 important. It is the language that the subcommittee
21 adopted, and I guess what -- what -- the reason I
22 responded strongly was, I guess, I was not in favor
23 of just sort of sitting here and picking and picking
24 and picking at the recommendation so that it
25 actually had no meaning at all.

1 Lee, contrary to what you think,
2 there's really no hidden agenda in there. It's just
3 that I think it's the work of the subcommittee and I
4 would like to see the work of the subcommittee go
5 forward, and I don't hear a good reason why it
6 should be taken out.

7 MR. LEE BAKER: That's a reasonable
8 approach. However, you know, that philosophy has
9 not stopped you or anybody else from picking at
10 other recommendations. So, you know, I agree with
11 giving some respect to the effort that went into the
12 document.

13 DR. STEPHEN SMITH: Right. And, you
14 know, if we need to open it up and start discussing
15 this in more detail, my sense was that it would
16 be -- you know, if people don't feel strongly, I
17 think it's a good recommendation and we ought to go
18 forward with it.

19 There's no hidden agenda associated
20 with any part of it. So I would like to keep it
21 intact as much as possible, unless there's strong
22 feelings otherwise. Clearly, it is within the
23 purview of this committee to do that, but I think
24 it's a good document as written.

25 MR. DAVE WAHUS: Roger?

1 SENATOR ROGER BEDFORD: Let me be
2 real clear with my personal understanding of how we
3 set these subcommittee up, and that was that they
4 were to make recommendations to the Council and not
5 bind the Council. So I don't have any problem with
6 any member of this Council picking apart what a
7 subcommittee has done or not done because I'm going
8 to reserve that right for myself, so -- and I mean
9 that for my own subcommittee.

10 I mean, that's the purview of this
11 Council. Those subcommittees were designed to get
12 it to a point where they could make a recommendation
13 to the Council, and then the Council has the final
14 word on it. So I don't have any problem with any
15 member looking at it in as much detail they want to
16 of any subcommittee report.

17 DR. STEPHEN SMITH: I guess my point
18 is that if there is a strong argument for removing
19 some part of a recommendation, of course, it's
20 within the purview. I guess what I understood from
21 Al was that he was just thinking that particular
22 section might be redundant.

23 So what I'm saying is that as someone
24 who went through the process with the subcommittee,
25 we would like to see it stay in as opposed to being,

1 you know, pulled out. It's not necessarily
2 redundant. And we had the significant change of
3 practical, I mean, I think that's there.

4 DR. PAUL TEAGUE: We changed the word
5 practical. Okay. Which takes precedence?

6 If you remove that first statement,
7 then you get down there and it says, absolutely no
8 net loss, that's not practical. So the two don't
9 jive.

10 DR. STEPHEN SMITH: But again, the
11 practical is the overall riding thing. So I think
12 practical applies to all of those points.

13 MS. JULIE HARDIN: That's right.

14 DR. STEPHEN SMITH: I mean, that's
15 what I understood the spirit of the subcommittee
16 was. I mean, the full Council here was to apply
17 practicality to all of these points.

18 MR. DAVE WAHUS: Lee?

19 MR. AL MANN: But you say no net
20 loss.

21 MR. DAVE WAHUS: Excuse me. Lee and
22 then Jimmy.

23 MR. LEE BAKER: You said what might
24 be a reason, and, you know, I'm sure this is not
25 going to happen, but the point that was just made as

1 far as practical and no net loss does seem to be
2 somewhat in conflict depending on how far you want
3 to press the issue.

4 Assume for the sake of argument that
5 the Endangered Species Act somewhere down the road,
6 for whatever reason, illogical as it may sound,
7 altered its position of no net loss, well, you know,
8 then you would have the no-net-loss paragraph in
9 there that would take -- that would hold you to that
10 position even if the Endangered Species Act for some
11 reason or another changed and didn't require that.

12 So I could see some logic to not
13 having that statement in there. It doesn't give me
14 a great deal of heartburn, but I do see a conflict
15 between practical and no net loss.

16 MR. DAVE WAHUS: Jimmy?

17 MR. JIMMY BARNETT: Okay. I forget
18 now who made it since everyone has made different
19 comments. The overriding paragraph is the first
20 paragraph, and everything else is subservient to
21 what it's stating that the following things should
22 do. And one of them is to be practical, that's the
23 way I would read it from a legal standpoint. I
24 would defer to the legal down there for that
25 comment.

1 If I'm reading these things, the
2 first thing it says is practical, do these things as
3 far as practical. I don't care what it says down
4 through there, you adopt a no-net-loss policy as far
5 as practical because the overriding intent is up
6 there under the very recommendation insofar as
7 practical.

8 MR. DAVE WAHUS: Axel?

9 MR. AXEL RINGE: I'd just like to
10 make two points. One is that a policy is not a
11 commandment. A policy is a guideline.

12 The second point I would like to make
13 is that I would like to stay a little bit away from
14 an overemphasis on the Endangered Species Act. The
15 Endangered Species Act is a reactive mechanism to
16 make a last ditch effort to save a species. What
17 was intended under the term no net loss was for TVA
18 to take a proactive approach to ensuring that
19 species don't end up subject to the Endangered
20 Species Act.

21 MR. DAVE WAHUS: Kate?

22 MS. KATE JACKSON: Could some of this
23 discussion clarify for us native species?

24 MR. AXEL RINGE: Excuse me. Native
25 species?

1 MS. KATE JACKSON: No net loss for
2 native species, do you want to clarify that for me?

3 MR. GREER TIDWELL: It means that we
4 don't mind losing some of those weeds that Paul was
5 talking about yesterday.

6 MS. JULIE HARDIN: Because they're
7 foreign.

8 MR. GREER TIDWELL: Because they're
9 foreign.

10 MR. AXEL RINGE: Native species are
11 generally defined as being those species that
12 occurred naturally in an ecosystem prior to
13 manipulation by -- in the context of this country by
14 settlement by Europeans.

15 DR. KATE JACKSON: And you want to
16 include no net less for all native species?

17 MR. AXEL RINGE: Insofar as
18 practical.

19 MR. AUSTIN CARROLL: I do have a
20 question.

21 MR. DAVE WAHUS: Yes, Austin.

22 MR. AUSTIN CARROLL: I assume we're
23 talking about a loss of the species in the whole
24 thing, not loss of some of them? I mean, like if
25 I'm going deer hunting tomorrow, TVA is not going to

1 keep me from shooting a deer, but we are talking
2 about elimination of species.

3 DR. STEPHEN SMITH: Right. We're
4 talking about if there's a day when you can't find
5 any deer because completely off the face -- which I
6 don't think we have a problem.

7 MS. JULIE HARDIN: And when you go
8 hunting, you're not going to wipe out the entire
9 deer population, are you?

10 DR. STEPHEN SMITH: You have got a
11 big gun.

12 MR. AUSTIN CARROLL: Well, a good
13 part of them.

14 MS. JULIE HARDIN: I will believe
15 that when I see it.

16 MR. AUSTIN CARROLL: No, you don't
17 have to worry about that.

18 MR. DAVE WAHUS: Okay. The issue at
19 hand, before we can deal with the entire set of
20 recommendations then, deals with the last part, the
21 two phrases of the first recommendation.

22 Does it stay in or does it go out.

23 And I have heard presentations or
24 arguments on both sides. So I am just going to flip
25 a coin in my head and say, is there any opposition

1 to leaving it as it is?

2 MR. AL MANN: Leaving it as it is?

3 MR. DAVE WAHUS: As it is.

4 MR. AL MANN: Is there opposition to
5 leaving it as it is?

6 MR. DAVE WAHUS: The first
7 recommendation, yes.

8 MR. GREER TIDWELL: With the
9 practical change.

10 MR. AL MANN: Oh, no.

11 MR. DAVE WAHUS: The practical --
12 leaving it with the word practical up there but then
13 making no changes to this.

14 MS. KATE JACKSON: Okay. I have
15 another question now. You want the practical to
16 apply to restoring historical and existing, it
17 doesn't say that now.

18 DR. PAUL TEAGUE: Practical takes
19 precedence, the way they've interpreted it to us.

20 MS. KATE JACKSON: Do you want to say
21 insofar as practical?

22 SENATOR ROGER BEDFORD: The practical
23 just refers in its current context, in my opinion,
24 to historical biodiversity.

25 MS. KATE JACKSON: That's my

1 question.

2 SENATOR ROGER BEDFORD: It's not a
3 qualifier for the rest of it.

4 DR. STEPHEN SMITH: Historical
5 biodiversity would mean going back and trying to --

6 MS. KATE JACKSON: Right.

7 DR. STEPHEN SMITH: I think that's --
8 I think -- I don't think that we want practical
9 necessarily to talk about the existing biodiversity.

10 MS. KATE JACKSON: That's my
11 question.

12 MR. DAVE WAHUS: So the way -- valid
13 point, the way this is written now, practical deals
14 only with the historical biodiversity, it does not
15 address the existing -- again, I would ask, is there
16 any opposition -- given the subsequent discussion,
17 is there any opposition to leaving No. 1 as it is?

18 DR. PAUL TEAGUE: There is opposition
19 if you -- if practical does not apply to it to me.

20 DR. STEPHEN SMITH: It does apply.

21 MR. DAVE WAHUS: It applies only to
22 historical biodiversity.

23 SENATOR ROGER BEDFORD: Is the other
24 option to put a period after the Endangered Species
25 Act, is that the two options?

1 MR. DAVE WAHUS: Yes. The other
2 option is to put a period after Endangered Species
3 Act and then strike the last two phrases there
4 starting with the --

5 MR. LEE BAKER: I'm going to agree
6 with Paul, if the word practical does not refer to
7 paragraph one, then I have got a problem with it.

8 MR. DAVE WAHUS: Bruce?

9 MR. BRUCE SHUPP: My deal with that
10 is that any new actions that would have impact on
11 existing biodiversity are under extreme scrutiny by
12 the Clean Water Act, by the Endangered Species Act,
13 by the NEPA Act. So any changes -- operational
14 changes TVA would be making that would affect
15 current biodiversity, we -- it's going to be
16 practical because it has extreme public review. So
17 I don't think that's a big concern

18 Deciding what to do about correcting
19 the past is different. So I think practical is very
20 important for that part. What happens in the
21 future, I'm confident that public review will be
22 there and it'll be practical.

23 DR. STEPHEN SMITH: Practical does
24 apply throughout the document, I mean, that's, I
25 think, a --

1 MS. JULIE HARDIN: Yes.

2 MR. LEE BAKER: If we would agree to
3 that, then I'm confident -- if we would agree that
4 the word practical applies to the entire document,
5 then I am okay with that.

6 MS. JULIE HARDIN: It does.

7 MR. DAVE WAHUS: I am seeing nods.

8 MR. AL MANN: Say it again. What
9 now?

10 MR. DAVE WAHUS: If the word
11 practical applies to the entire document, if that
12 practicality has to be taken into consideration as
13 you look at all of the recommendations, then Lee
14 says that he would accept it.

15 MR. AL MANN: So you're saying then
16 by adopting a practical no-net policy -- no-net-loss
17 policy, is that what you're saying?

18 MR. DAVE WAHUS: Insofar as
19 practical. Jimmy?

20 MR. JIMMY BARNETT: To make it apply
21 as written, as Kate mentioned, to the whole thing,
22 you would probably have to move the phrase, insofar
23 as practical, and put it at the end of the sentence,
24 that would make, in restoring historical
25 biodiversity, and the first phrase, existing aquatic

1 biodiversity, all of it insofar as practical to make
2 it apply to the whole thing.

3 MR. DAVE WAHUS: Let me read that
4 then and make sure I understand what you're saying.
5 You would change it such -- so it would read, the
6 water quality subcommittee affirms the importance
7 and priority of protecting the Tennessee River
8 system's existing aquatic biodiversity and restoring
9 its historical biodiversity insofar as practical,
10 that's what you just suggested?

11 MR. JIMMY BARNETT: Or putting it at
12 the front of the whole thing.

13 MR. DAVE WAHUS: Or insofar as
14 practical, the water --

15 MR. JIMMY BARNETT: Kate, would that
16 then read insofar as practical to apply to the whole
17 thing to you?

18 MS. KATE JACKSON: It wouldn't to me,
19 but I'm not the lawyer. I mean, that looks like
20 biodiversity insofar as practical. I would put it
21 either before both of those phrases or after, we
22 recommend TVA take the following actions insofar as
23 practical.

24 MR. JIMMY BARNETT: Okay.

25 DR. KATE JACKSON: But I can't tell

1 you what to write.

2 MR. JIMMY BARNETT: I realize that.
3 I was asking you if we wrote it this way, what would
4 you feel?

5 MS. KATE JACKSON: That's how I would
6 interpret it, but he might have to interpret it.

7 MR. BARRY WALTON: I agree with Kate.

8 MR. JIMMY BARNETT: Sign his check.

9 MR. DAVE WAHUS: The alternative
10 then, as I just understood the discussion, would be,
11 one, move the insofar as practical to we recommend
12 TVA take the following actions, insofar as
13 practical, or moving it up towards the front, water
14 quality subcommittee affirms the importance in the
15 priority of protecting --

16 DR. KATE JACKSON: Insofar as
17 practical.

18 MR. DAVE WAHUS: -- insofar as
19 practical the Tennessee River system's existing, et
20 cetera.

21 MR. LEE BAKER: I think the front end
22 is better.

23 MR. DAVE WAHUS: Putting it up near
24 the front?

25 MR. LEE BAKER: I think it's better.

1 MR. DAVE WAHUS: Importance and
2 priority, putting it in here.

3 DR. STEPHEN SMITH: I thought Jimmy's
4 recommendation was to put it at the end of the
5 sentence.

6 MR. DAVE WAHUS: Putting it at the
7 end here?

8 DR. STEPHEN SMITH: Yeah. No. No.
9 At the end after --

10 MR. DAVE WAHUS: Here?

11 DR. STEPHEN SMITH: Right.

12 MR. DAVE WAHUS: But what I just
13 heard here a moment ago, that would still -- their
14 interpretation would still refer only to the
15 historical biodiversity.

16 SENATOR ROGER BEDFORD: You're, and
17 legally, would break it to where your qualifier's
18 just going to your restoring historical
19 biodiversity, in my opinion.

20 MR. LEE BAKER: We're agreeing, are
21 we not, that insofar as practical should apply to
22 both entities?

23 MR. DAVE WAHUS: That's correct.
24 That's correct. I'm hearing agreement. It's just a
25 matter of where to put it.

1 MR. LEE BAKER: So it's just a matter
2 of where to put it to make it say that.

3 MR. AL MANN: I think some of us want
4 to put it for historical and some of us want to put
5 it for both. Some of us want to put it for
6 historical only, is that right, Stephen? You want
7 it strictly for historical?

8 DR. STEPHEN SMITH: No. I mean,
9 we -- I would be happy to put it wherever it needs
10 to be put so people will allow it to go forward.

11 MR. AL MANN: Say that again.

12 DR. STEPHEN SMITH: I am happy to put
13 the word practical wherever you need it put so that
14 you can agree to this, and anyone else.

15 MR. DAVE WAHUS: So what I have heard
16 is that the preference would be to reword it that,
17 the water quality subcommittee affirms the
18 importance and priority insofar as practical of
19 protecting the Tennessee River system's existing
20 aquatic biodiversity and restoring its historical
21 biodiversity. We recommend TVA take the following
22 actions, and in that sense the word practical
23 applies to the entire set of recommendations.

24 MR. LEE BAKER: I would call for a
25 question on that.

1 MR. DAVE WAHUS: Is anyone opposed to
2 that? Is Bruce still in the room?

3 MS. KATE JACKSON: He left his proxy
4 with me. Does that help you?

5 MR. DAVE WAHUS: No. I have to give
6 him the opposition -- the opportunity to be opposed
7 because we only have ten.

8 MR. AL MANN: I am not opposed to
9 that, but I'm not convinced that the word practical
10 would apply to the rest of this -- those following
11 statements, but maybe I'm wrong.

12 DR. STEPHEN SMITH: I think that we
13 have just agreed to that. So that is --

14 MR. AL MANN: But you're not saying
15 that. I mean --

16 DR. STEPHEN SMITH: Well, it's -- I
17 mean, I think that is the intent of what we are
18 saying. There's a record that goes with that
19 recommendation, and that record will substantiate
20 what you have just said.

21 DR. PAUL TEAGUE: When other people
22 interpret it when we're not present to say that's
23 what it means, they wouldn't necessarily interpret
24 it that way, Stephen, when it's read by anyone.

25 MR. LEE BAKER: Is there --

1 MR. JIMMY BARNETT: I have a
2 suggestion here which might resolve it and put that
3 whole thing as a sentence by linking -- taking out
4 the period and putting a colon there for an example
5 and saying, therefore, we recommend TVA take the
6 following actions, and then that would make the word
7 practical apply to both sentences and all the rest
8 of it, and I would have a hard time reading it
9 otherwise.

10 MR. DAVE WAHUS: Adding the word
11 therefore?

12 MR. JIMMY BARNETT: And if you say
13 therefore, you're depending on the first part of the
14 sentence with the word practical in it, and
15 therefore, we recommend these following things, and
16 by implication it's all there. Everything below
17 that has got to refer back to everything you said in
18 the first --

19 MR. AUSTIN CARROLL: I'm all for it,
20 let's do it. I'm not going to listen to this
21 argument much longer. I'm going to leave.

22 MR. DAVE WAHUS: Any opposition to
23 this as presented?

24 I hear none, Mr. Chairman.

25 MR. BRUCE SHUPP: Let's do it.

1 MR. DAVE WAHUS: Thank you for that
2 threat, Austin. I appreciate that.

3 SENATOR ROGER BEDFORD: The dynamite
4 charge to the jury.

5 MR. DAVE WAHUS: We need to -- Tom,
6 before you leave the room --

7 MR. THOMAS GRIFFITH: I'm not
8 leaving.

9 MR. DAVE WAHUS: Okay. Thank you.
10 Steve, I would like to quickly review what we did
11 before your return back from the break.

12 DR. STEPHEN SMITH: I accept it. I
13 have read it. I'm aware of it.

14 MR. DAVE WAHUS: You saw the change?
15 Keep in mind that during the break they passed
16 out -- they corrected some wording to reflect a
17 discussion from this morning and then corrected some
18 grammar.

19 DR. STEPHEN SMITH: And the intent is
20 that this will be part of the study?

21 MR. DAVE WAHUS: That's correct. Do
22 I hear any opposition? And I am looking to those
23 that are standing as well. Seeing none,
24 Mr. Chairman, you have that recommendation to go
25 forward with as well.

1 Okay. The next step -- the next part
2 of the discussion is should -- what is the Council's
3 recommendation about should the Council be continued
4 after its expiration, and Bruce, I will turn it to
5 you to start off the discussion.

6 MR. BRUCE SHUPP: Okay. I'm asking
7 the Council for approval for me to send a letter to
8 Kate Jackson recommending to the Board that the
9 Council be rechartered, and that during that
10 rechartering the Board consider the need that exists
11 past these first two years. And we understand that
12 the Charter may have a different charge but that we
13 recommend that we go for another two-year Charter.

14 DR. STEPHEN SMITH: Yeah, I have a
15 friendly amendment. I would like to replace Paul,
16 Al, and Lee, and get some more snail darter people
17 and have them fill in those positions.

18 MR. BRUCE SHUPP: That's the second
19 part of that discussion.

20 DR. PAUL TEAGUE: I will vote for
21 that. Won't you, Al?

22 MR. LEE BAKER: And I want to replace
23 Stephen.

24 MR. JIMMY BARNETT: And I would like
25 to -- I have heard Skila and Kate and others at

1 different times say that, you know, they were glad
2 that we did this thing and I have heard the
3 responses, and I guess I feel better about it now
4 after hearing the responses from Skila -- from the
5 Board via Skila.

6 I guess I want to ask Kate a
7 question. You just tell it like you think. Do you
8 think it's important that we continue, your own
9 personal opinion, not company opinion?

10 MR. DAVE WAHUS: Nothing like putting
11 her on the spot.

12 MS. KATE JACKSON: For the record,
13 I'm not going to give you my personal opinion. I
14 mean, I think that the Council has some awesome
15 work, and I would hate to lose the benefit of the
16 critical mass that you-all have gained with us and I
17 think some of the steps that we have taken to mend
18 some of the credibility issues that TVA has, and I
19 would love to figure out a way to recharter the
20 Council, do something different, whatever, that
21 leverages that into the future.

22 I think we have gotten some really
23 valuable advice and input from all of you. I think
24 you-all have learned a lot and have some perspective
25 now that can help us. I want to make sure that we

1 look for a way to do that without forcing you-all to
2 be captured, recognizing that if we recharter you're
3 released, and if you want to continue, you continue.
4 And if you don't and you can't stand each other or
5 us anymore, you can go off and do your real jobs. I
6 think there's more work that we can do. I think we
7 all need to think about what the best vehicle for
8 getting that accomplished is.

9 MR. JIMMY BARNETT: Thank you.

10 MR. BRUCE SHUPP: That's the first
11 part was asking the Council to give me permission to
12 write that letter. And then part of that letter
13 would also say, and we would like to have a response
14 from TVA by January so that we go into the end of
15 our existing life knowing what the future brings,
16 and then we can make some plans at the January
17 meeting either way.

18 What was the third point?

19 Oh, the third point was just to ask
20 you-all how many would -- if you want to show your
21 feelings, but how many would like to continue on as
22 Council members if it is rechartered? I would just
23 like, for my benefit and for Kate's benefit, to get
24 a feel for how many would like to continue on.

25 MR. DAVE WAHUS: Can I hold that to

1 ask for a show of hands for just a moment until
2 Roger makes his comments.

3 MR. BRUCE SHUPP: Oh, I'm sorry. I
4 didn't see his sign.

5 SENATOR ROGER BEDFORD: That's all
6 right. You're moving in the right direction that I
7 agree with. I would just say this from my own
8 personal experience, you know, had I known how much
9 time this was going to take on the front end I
10 probably would have told our Governor no, but I have
11 found it to be a wonderful investment of my time and
12 energy and it's been a great educational opportunity
13 for me.

14 I think it's enabled me to
15 communicate back to my constituents and other groups
16 more about TVA, both its historic role and its
17 future role, and I think it has been -- helped to
18 build credibility for TVA that has been lacking.

19 I also have yet to see a component of
20 TVA in existence that could take the role that this
21 Council was created to do. So I think its absence
22 creates a void out there.

23 I would like to see us, you know,
24 rechartered and have direction and go forward and to
25 continue to have input into the policy developments

1 of TVA and its Board as the Board continues to
2 change in the years ahead.

3 And I would just close by saying
4 this, that, you know, I have really enjoyed the
5 evolution of this Council. I mean, we were laughing
6 last night, we have all learned enough to be a
7 little bit dangerous in our debate and we have also
8 learned enough to tease, as Stephen and Paul were
9 doing there, and that facilitates the debate and
10 that makes us able to discuss serious issues and
11 disagree without being disagreeable, and I think
12 that's important in any serious discussion of
13 issues.

14 So I would -- I would encourage us to
15 go forward with writing that letter and requesting
16 an answer before our final meeting, Mr. Chairman.

17 MR. DAVE WAHUS: Lee?

18 MR. LEE BAKER: Yeah. I'm not
19 sure -- you know, I may fulfill Stephen's wish. I
20 don't think I would have agreed either if I had
21 known how much time was involved, and yet, you know,
22 it was an opportunity to speak out and hear other
23 viewpoints.

24 I think before I would make a
25 decision whether or not I would be willing to

1 continue, I would want some clarity, and that might
2 could come in January as to what, you know, we had
3 accomplished. You know, just meeting for the sake
4 of meeting probably is not one of my favorite things
5 to do, but being opinionated is something I pretty
6 much do frequently, so that's no big problem, but
7 getting to know the other stakeholders and
8 interests, I think, has been helpful to me also.

9 But I would also point out, you know,
10 we talk about trying to lobby TVA's efforts to get
11 non-power appropriations, it's kind of difficult to,
12 on the one hand, want to kick TVA and talk bad about
13 them -- and nobody from TVA has asked me to do this,
14 by the way, but, you know, if you want to kick them
15 around and beat them up and mean mouth them to
16 everybody in the community and everybody in the
17 country and then now we want to turn around and
18 suggest that we need to do nice things, it's kind of
19 speaking out of both sides of the mouth.

20 I favor TVA's continuation, I think
21 they have done a great job in our community,
22 including preserving environment and trees and water
23 and all of those things that Stephen don't think I
24 appreciate, I do, but I don't know whether I would
25 stay on or not. I might fulfill Stephen's wish.

1 MR. DAVE WAHUS: Thank you. I'm not
2 sure which one of you were up first. Paul?

3 DR. PAUL TEAGUE: I have had very
4 oscillating feelings from day one to day 18 months.
5 I have gone through different eras, but after
6 hearing McCullough, Skila, accept our
7 recommendations, I think the thing that brought it
8 to point was the trailer parks, we through -- this
9 Council, through our deliberations, prevented TVA
10 from getting a black eye, because these people were
11 going public, it was going to get dirty, and to see
12 when it was brought to us and to see TVA's response
13 to it, I think we have done some good. I really
14 believe we have.

15 And like Lee and like Roger, I
16 personally appreciate the education that you-all
17 have given me. I see -- I have appreciated and
18 enjoyed meeting the other side, like Stephen and
19 Axel and Julie and all of the rest, and it is
20 educational and this is what compromise and
21 discussion is all about.

22 I would, like Lee, consider -- at
23 this point only consider whether I would repeat or
24 not, but I would like to ask, have we been
25 cost-effective, because I'm a bottom line guy, as

1 most of you have realized. Has it been worth what
2 of TVA's money we have spent? And I do appreciate
3 the opportunity to converse with other people.

4 MR. DAVE WAHUS: Would you like to
5 address that or wait until --

6 DR. KATE JACKSON: My preference is
7 to wait. I mean, my knee jerk response is it's
8 really difficult to evaluate the bottom line, what
9 the benefit is of credibility enhancement and
10 stakeholder involvement and meaningful public
11 participation, those are very hard to turn into
12 economic terms.

13 I think that we probably haven't gone
14 as far as we could go in some of those. I think
15 Jimmy made a -- and Roger did a wonderful thing in
16 Northern Alabama getting other stakeholders together
17 and talking about actions of the Council. We
18 haven't leveraged that kind of opportunity as much
19 as we could.

20 The discussion with the water quality
21 things yesterday, there are some opportunities for
22 you-all to leverage your relationships and enlarge
23 and enrich the debate on issues of water quality,
24 sharing data, alliances for monitoring, and maybe
25 third-party discussions of standard setting. We

1 have -- we haven't even broached those kinds of
2 issues in this group yet.

3 DR. STEPHEN SMITH: I think that -- a
4 couple of points. One, I mentioned this earlier,
5 and I guess it's probably more in the context of
6 this discussion, that this body or something like it
7 needs to be present to, I think, provide guidance,
8 some degree of independent feedback on the non-power
9 programs, particularly as we get further and further
10 away from what was the federal funding mechanism to
11 assure that these programs have someone looking at
12 them.

13 The other thing that I would say is
14 that, you know, it's not inappropriate to at times
15 criticize an entity when you actually want to see
16 them do better. And if you -- if you have a friend
17 and they have something green on their teeth, you
18 know, pointing that out only a friend can do, you
19 know, sometimes.

20 And so the fact that some people
21 happen to point out some things periodically, it's
22 not necessarily to try to bash the institution, as
23 much as it is to try to challenge them to do better.

24 MR. DAVE WAHUS: Bruce, and then we
25 will ask the group whether you want to continue.

1 MR. BRUCE SHUPP: I just wanted to
2 talk about the future role that Kate mentioned and
3 the potential that exists. Going into this next
4 couple of years with the river study, I think that
5 the Council could play an aggressive role in going
6 into its various communities and hosting meetings
7 for the river study, getting public input, being the
8 receptor of the input to give advice back to TVA,
9 and I think that that role and other roles like that
10 are still in the future for this Council.

11 It's one of the imaginative ways that
12 we could bring public input to TVA and credibility
13 to TVA's caring about the public input. So I think
14 that's one of the big ways that we could help, the
15 Council could help big time.

16 MR. DAVE WAHUS: Is anyone opposed to
17 Bruce writing a letter to TVA recommending that the
18 Council be continued in some form past its present
19 expiration?

20 I see no opposition, Mr. Chairman, so
21 I believe you have the go-ahead to do that.

22 The second question that the Chairman
23 asked was how many of you might consider continuing,
24 or maybe we have a smaller number, is there anyone
25 who would not consider continuing given that it may

1 change and you would have an opportunity to see what
2 it might look like before you make a definite
3 decision?

4 DR. STEPHEN SMITH: I think that's
5 the clarifying question, is what is the role going
6 forward and what are the changes and what are some
7 of the expectations going forward. I mean, for me
8 to invest the time and energy, I would want a
9 clarification of that.

10 MR. DAVE WAHUS: That's a fair
11 statement. I believe Bruce indicated that his
12 letter to Kate was going to ask that they come back
13 with a response as to whether they were going to
14 continue, and if so, what the complexion of the
15 Council might be past that time.

16 Is there anyone who would not
17 consider -- regardless of what that might be, then
18 the question would be, is there anyone who would not
19 consider, regardless of what that might be?

20 Julie, you had a comment.

21 MS. JULIE HARDIN: My concern is that
22 there are six or seven of us not here today. I
23 would like, in our course of business, to make sure
24 they are talked to about these same questions before
25 we write this request letter that our Charter be

1 continued.

2 MR. DAVE WAHUS: Today is not
3 absolutely commitment. If you raise your hand
4 today, we're just trying to get -- I think Bruce is
5 trying to get a feel for what your feelings are.
6 It's not a drop dead, yes, you're going to stay, or,
7 no, you're not going to stay.

8 Al, did I see a hand over there?

9 MR. AL MANN: What is your question?

10 MR. DAVE WAHUS: Is there any member
11 of the Council that's present, of the 11 of you that
12 are present, that would not consider continuing on
13 the Council, regardless of how it is -- if it is
14 rechartered, regardless of how it's rechartered and
15 what it's --

16 MR. AL MANN: I have no choice, I
17 can't.

18 MR. DAVE WAHUS: I see only one hand,
19 Mr. Chairman.

20 MR. BRUCE SHUPP: It's probably an
21 inappropriate question, as I think about it now.

22 MR. DAVE WAHUS: It may be a little
23 early.

24 MR. BRUCE SHUPP: And what we will do
25 is if TVA says, yes, we're going forward again, then

1 we will ask everyone to write to Kate with your own
2 intentions, your own personal intentions. It
3 doesn't have to be public and it doesn't have to be
4 shared with anybody here, but we have to say yes or
5 no, that I want to be reconsidered or, you know, you
6 may be thrown off anyway. I'm sure we're going to
7 get rid of Steve.

8 DR. STEPHEN SMITH: Yeah, I eat too
9 much Buffalo.

10 MR. DAVE WAHUS: Extremist.

11 MR. BRUCE SHUPP: But that's the way
12 we'll do it. Julie, I have to disagree with you,
13 I'm not going to go back and call seven Council
14 members and poll them. If they are not here -- you
15 know, you can bring your bat to the game and you can
16 play, and they are not here, I'm not going to go
17 back and poll them all. We made decisions and we're
18 moving forward.

19 MS. JULIE HARDIN: Okay. I think
20 that's reasonable. I sit down on that.

21 MR. DAVE WAHUS: Thank you.

22 MS. JULIE HARDIN: I'll call them.

23 MR. DAVE WAHUS: That issue
24 concluded, Mr. Chairman, we'll move on to the last
25 issue that I -- that you have given me, and that's

1 to discuss a process for nominating members to the
2 public review group, is that the correct
3 terminology, to the public review group of the
4 reservoir operations study.

5 And so the -- not necessarily to make
6 the nominations today but to come to some kind of
7 general agreement as to what process you, the
8 Council, would follow in making nominations for
9 membership for this particular group.

10 Now, does anyone have any comments or
11 any discussion or any suggestions?

12 MR. BRUCE SHUPP: No. 1, I have
13 absolutely no idea how we're going to do that.

14 MR. DAVE WAHUS: Stephen, you stepped
15 forward.

16 DR. STEPHEN SMITH: Well, I think
17 that one of the ways to possibly do that is -- my
18 sense is that there is a whole segment of the
19 community out there that has no clue of the
20 significance of what's about to happen with this
21 study.

22 We need to be educating folks about
23 the significance of what's going to happen, and I
24 think even educating members of our own
25 subcommittees about what's about to happen and

1 engage them to some degree in looking at some
2 recommendations.

3 I don't know that it is appropriate
4 to have to run the recommendations through this body
5 per se because, you know, are we going to try to
6 seek some sort of consensus on who comes -- who is
7 recommended?

8 My sense is that we all have
9 constituencies, so to speak, that we're engaged
10 with, and I think the challenge should be to us to
11 go back and make sure they fully understand the
12 significance of the overall river operations and
13 make the appropriate -- and ask for the appropriate
14 input.

15 MR. BRUCE SHUPP: Well, there has to
16 be a process and somebody has to make decisions.
17 Let me throw one out, just to start the process.
18 The only one that I could think of last night that
19 may work; and that is, give the responsibility to
20 the IRM committee. In other words, the Council give
21 that responsibility to you.

22 SENATOR ROGER BEDFORD: Just because
23 I missed that meeting last time.

24 MR. BRUCE SHUPP: You missed three.
25 This is punishment. You give the responsibility to

1 the committee, so there's a decision process there
2 that starts. Council members that want to
3 participate nominate themselves to the committee
4 chair, subcommittee chair, and then the committee
5 deliberate on investigating the categories that
6 David is going to give -- you're going to give us
7 categories, right?

8 MR. DAVID NYE: Yes.

9 MR. BRUCE SHUPP: We want three
10 people in each of these X categories.

11 MR. DAVID NYE: (Moves head up and
12 down.)

13 MR. BRUCE SHUPP: The subcommittee
14 look at the members that want to serve, evaluate
15 them against the potential recommendations from
16 subcommittee members, and from outside, which you
17 should seek it somehow, and then come up with the
18 list of your recommended people, listed one, two
19 three, here's the three we recommend. We recommend
20 the first choice be one, you know, for each
21 category. David then makes his contacts with these
22 people and ask them to serve. Your job is done as
23 far as putting them on a list as nominees.

24 Does that make some sense?

25 SENATOR ROGER BEDFORD: If I

1 understand what you're saying, the nominations would
2 be either through someone else or self-nomination by
3 way of a letter, either would be fine, that the
4 subcommittee itself is charged with working out the
5 one, two, three of whatever the category is, and
6 then recommend --

7 MR. BRUCE SHUPP: Recommend to the
8 Council.

9 SENATOR ROGER BEDFORD: Recommend to
10 the Council and --

11 MR. BRUCE SHUPP: No, we don't want
12 to do that. We don't want to recommend to the
13 Council. I would think that the subcommittee would
14 then forward that to David and say, here's the list
15 we have come up with.

16 SENATOR ROGER BEDFORD: And the only
17 way then after that we would be involved in it is if
18 one of the people we recommended then said to Dave,
19 no, now that we know what it is, we don't want to do
20 that.

21 MR. BRUCE SHUPP: Right.

22 MR. DAVE WAHUS: You would be a
23 processor rather than actually working in a -- to
24 represent the Council. You're a group of folks who
25 would be processing information and you would not be

1 necessarily doing that in the name of the Council so
2 that it doesn't have to come back through the
3 Council and be a Council recommendation.

4 SENATOR ROGER BEDFORD: What do the
5 other subcommittee members feel about that?

6 MS. JULIE HARDIN: David, could you
7 please read what you wrote in pink?

8 MR. DAVE WAHUS: Is that hard to
9 read?

10 MS. JULIE HARDIN: Yeah.

11 MR. DAVE WAHUS: I'll stop using it.
12 Give responsibility to the IRM subcommittee.
13 Nominations made to the subcommittee by the RRSC
14 members, by all of you. You can either nominate
15 yourself or someone else. And then the subcommittee
16 develop a list of priorities of nominees by
17 category.

18 MS. JULIE HARDIN: Okay. What is the
19 subcommittee? I'm sorry.

20 MR. BRUCE SHUPP: The subcommittee is
21 the integrated river management subcommittee chaired
22 by Roger.

23 MS. JULIE HARDIN: Oh, okay. So when
24 Roger asked what that committee feels about it,
25 that's who he's addressing. Thank you.

1 SENATOR ROGER BEDFORD: Obviously,
2 Julie, I wasn't trying to shut anybody out, but I
3 just thought it would be logical first to start with
4 the fellow committee members.

5 MS. JULIE HARDIN: I think you're
6 right.

7 MR. DAVE WAHUS: Austin?

8 MR. AUSTIN CARROLL: It sounds okay
9 to me, but the Council would need to approve that
10 being the process, I mean, today, I would think --

11 MR. DAVE WAHUS: Yes.

12 MR. AUSTIN CARROLL: -- for us to be
13 charged to do that.

14 MR. BRUCE SHUPP: The other process I
15 thought of, and I don't think it's as appropriate,
16 is going back to the subcommittee, it would be
17 for -- for the chair and the subcommittee chairs to
18 serve as a nominating group and do the same thing,
19 same process, but I think it makes more sense to go
20 back to the IRM subcommittee to do it.

21 SENATOR ROGER BEDFORD: Mr. Chairman,
22 I wouldn't have any heartburn if the Council wanted
23 to do you and the other subcommittee chairs, you
24 know, either way is fine with me.

25 MR. BRUCE SHUPP: Either way it would

1 work. It's just which way looks best for the
2 credibility of the nominees, I think that's what --

3 MR. DAVE WAHUS: Jimmy, I think you
4 were up next, and then Lee and then Greer.

5 MR. JIMMY BARNETT: I have zero
6 problem because they have a functioning group
7 already, and as well as we have been Council
8 members, even in spite of us being Council members,
9 we'd still have to work ourselves into it as
10 chairman. So I'd just as soon, Roger, your
11 committee do it, if you will.

12 MR. LEE BAKER: I would just suggest
13 if David says he needs three in a particular
14 category, and I would assume the committee or
15 whoever does it, would feel they had the
16 flexibility, but if you needed three I would
17 nominate four or five because it's likely that
18 somebody, you know, wouldn't want to do it or
19 couldn't do it, and so that would save you from
20 having to reconvene.

21 MR. DAVE WAHUS: Okay. Greer and
22 then Paul.

23 MR. GREER TIDWELL: I was just going
24 to make the comment about something I'm unsure, and
25 Roger can respond to this, is whether that

1 particular subcommittee feels it's got enough
2 experience with all of the other subcommittee
3 members.

4 I think the purview of this review
5 and the pool from which it's drawing is not just the
6 Council but certainly those people who have
7 committed their expertise and time on that
8 subcommittee, those working subcommittees are so
9 important, and because of that I tended to like the
10 idea of the chairman and the subcommittee chairs
11 just to make sure we got that pool of potential
12 candidates for this position in the works.

13 MR. DAVE WAHUS: As I understood the
14 discussion earlier, all of you can make
15 recommendations to the IRM committee. They would
16 just come up with the final list.

17 Is that consistent with your comment?

18 MR. GREER TIDWELL: That's what I
19 heard, but I was a little worried about Roger
20 feeling like he had enough experience with everybody
21 else out of that whole pool of people.

22 SENATOR ROGER BEDFORD: I think
23 that's a legitimate question. I think we have got a
24 good diversity on our subcommittee panel, and by the
25 nature of the subcommittee we have had to deal, to

1 some extent, with all of the issues that the other
2 subcommittees have. And, of course, we have all
3 participated on it.

4 I would ask the Council's direction
5 on this, and I won't say on behalf of Phil, but I
6 know Phil would raise this if he was here, by being
7 on the subcommittee, are you disqualified from being
8 considered for these positions?

9 MR. BRUCE SHUPP: No.

10 MR. DAVE WAHUS: I am hearing a
11 resounding no to your response.

12 MR. GREER TIDWELL: We're not going
13 to let you off that easy, Roger.

14 MR. BRUCE SHUPP: The other thing as
15 far as notification of all the members that aren't
16 here, I would write a letter to all Council members
17 talking about this process and how it's very
18 important to be -- to get input back to the
19 subcommittee to get -- to make sure their interests
20 are served on the --

21 SENATOR ROGER BEDFORD: I would
22 ask -- and then I'm going to be quiet, but I'm kind
23 of getting procedural here. If, in fact, we go this
24 way, and if we don't, it is no heartburn to me and
25 no personal reflection to the committee, we can go

1 another way, but if we do I would ask direction from
2 the Council so that we might have a subcommittee
3 meeting before the next committee meeting, which
4 would entail someone setting a deadline of sorts
5 for -- to get these nominees in for our
6 consideration to make the recommendation.

7 MR. DAVE WAHUS: I think we need a
8 deadline of when he needs these names. That's
9 something we would have to talk to Dave Nye about.

10 MS. KATE JACKSON: I will speak for
11 Dave for a second, and then I will let him speak for
12 himself. Our issue is we have this two-year time
13 schedule and we get our first round of deliverables
14 from the phase one contract today and that will
15 serve as the beginning of the framework to define
16 the boundaries of the study in an ongoing way. The
17 sooner we have this review group, the better.

18 We're going to be looking at scoping
19 the phase two contract within the next 30 days. We
20 need this now. I mean, we would like to set up a
21 review by the middle of November.

22 MR. DAVE WAHUS: So you want it now,
23 not by the end of January.

24 MR. BRUCE SHUPP: You're talking
25 about the 15th.

1 DR. PAUL TEAGUE: Two points, it
2 might solve Roger's problem if you just add the
3 chairman of each other committee along to his
4 committee to give him a lot more input.

5 No. 2 is, Mr. Chairman, did you not
6 first suggest that people volunteer themselves? I
7 think that option should be held open. You might
8 consider these other committees, add just the
9 chairman to your committees, that would give you
10 more diversity probably.

11 SENATOR ROGER BEDFORD: I don't have
12 any problem with that, but, Paul, I think we covered
13 that first part about volunteering where people can
14 self-nominate themselves.

15 What I would not want it to be is
16 some kind of popularity contest where we all get in
17 here and have to vote on it, I think that would not
18 serve the purpose.

19 DR. STEPHEN SMITH: Two things. One,
20 I think we need to -- whether it be through a letter
21 from the overall Council chair or through some
22 process with the IRM committee, we should try to
23 access the information -- the input from people of
24 the subcommittees. I think that's been said, but
25 there's got to be a more better way to do that.

1 The other thing is that I'm
2 concerned, and I understand the time line of trying
3 to get this through as quick as possible, two weeks
4 to make a two-year commitment and understand the
5 full breath of that and get those ideas to me is a
6 bit aggressive.

7 I guess maybe -- yeah, almost -- a
8 little bit over two weeks. I would ask that we try
9 to have the recommendations by December 1st because
10 I think we're going to need enough time to really
11 think through that.

12 I don't know how much that's going to
13 impact the schedule, but I think this is a very
14 important decision because these people are going to
15 have -- I feel, if what I'm hearing from David is
16 correct, the extent of the feedback that TVA is
17 looking for and the quality and everything, I think
18 giving, you know, 30 days to identify, confirming
19 with those people that they can serve and asking
20 them to make that kind of commitment is reasonable.

21 MR. DAVE WAHUS: Maybe I
22 misunderstood the discussion earlier and help -- but
23 the way I had understood it was that the nominations
24 would be presented and then TVA would contact those
25 people and explain what was presented and determine

1 whether they would be -- whether they would be
2 willing to serve or not, that the IRM committee
3 would not necessarily have to contact them but just
4 identify potential members of the committee.

5 DR. STEPHEN SMITH: Well, I mean,
6 that's possible, but I doubt that I am going to want
7 to put up any names or think seriously about any
8 names of people that I don't have at least some
9 communication with to understand whether they're
10 interested in actually serving because, otherwise,
11 it's a waste of everybody's time.

12 SENATOR ROGER BEDFORD: Well, I would
13 assume that the nominating person would contact
14 whoever it is they are nominating.

15 DR. STEPHEN SMITH: That's what I'm
16 saying. I think that's why we may need a little bit
17 more time to really fully --

18 DR. KATE JACKSON: And I think -- I
19 guess what I would suggest is not to impact the
20 schedule but look for some other vehicle to keep
21 moving forward while this is going on, recognizing
22 the need for a longer amount of time for you-all to
23 come to grips with recommending folks to us.

24 And, you know, my suggestion to you
25 would be to use a similar process that we used the

1 last time, which is sort of an ad hoc group that can
2 provide us input as we move forward, as several of
3 you did last time, so we're sort of on parallel
4 tracks.

5 MR. DAVE WAHUS: Greer?

6 MR. GREER TIDWELL: Ditto, Kate,
7 that's what I was going to recommend. I think David
8 Nye, to keep this thing going forward, is going to
9 need some input between now and a month from now
10 and, you know, that last group of four people that
11 Bruce asked to get together and look over these
12 contractor potentials, the next meeting is probably
13 going to be a meeting with those contractors or the
14 actual selected contractor, and I can personally
15 commit to that. I'm not committing to serve on this
16 full long-term deal. Maybe that same four could get
17 back together and serve that role in the interim.

18 MR. BRUCE SHUPP: Stephen has to
19 leave, so I think we need to get to quorum vote on
20 this for directions. So if it's all right, I would
21 like to do that right now.

22 MR. DAVE WAHUS: Let me see if I can
23 summarize what you have come to an agreement on,
24 that all members go back and educate their
25 constituencies, give the responsibility to the IRM

1 subcommittee to -- the nominations will be made to
2 your subcommittee, and later we talked about the
3 subcommittee, plus the chairs of the other
4 subcommittees, to assist you.

5 SENATOR ROGER BEDFORD: I would just
6 ask that these nominations, so that we would have a
7 record, be done by letter or fax to me and not just
8 an E-mail or something like that or oral
9 communications.

10 DR. STEPHEN SMITH: Are you sure you
11 want mail, Roger?

12 MR. DAVE WAHUS: That your
13 subcommittee or group that you have then would
14 develop a list of priorities of nominees one, two,
15 three, four, five. If three are required, then you
16 probably need to develop a list of four or five
17 because some may choose not to, and then by
18 category, and provide those nominees directly back
19 to TVA and not back to the committee.

20 Bruce?

21 MR. BRUCE SHUPP: And can we put in
22 there that the subcommittee chair would have
23 expected the nominating person to have cleared it
24 with the nominee that he will serve?

25 MR. DAVE WAHUS: We can add that.

1 MR. BRUCE SHUPP: That's an
2 assumption he has to be able to live by.

3 SENATOR ROGER BEDFORD: That would be
4 helpful.

5 MR. DAVE WAHUS: Then initially I
6 heard nominations by November 15th but now we say by
7 the 30th.

8 MR. BRUCE SHUPP: I'm not sure -- I
9 think we can do it by the 15th.

10 SENATOR ROGER BEDFORD: I think we
11 could do the nominating by the 15th, but I would ask
12 the committee to have the authority to go to the
13 30th just to be able to schedule a meeting of the
14 IRM to allow --

15 MR. DAVE WAHUS: Okay. Nominations
16 to the IRM committee then by the 15th, and then your
17 deliberations and your decision to TVA by the 30th
18 of November.

19 SENATOR ROGER BEDFORD: Assuming
20 we're going to go forward with some type of ad hoc
21 for Kate's thing in the interim, yes.

22 MR. DAVE WAHUS: And then in the
23 interim I heard that the four persons who are on the
24 ad hoc committee and assisted Dave earlier would
25 continue in their ad hoc role pending the formation

1 of the new public peer review group.

2 SENATOR ROGER BEDFORD: Correct. May
3 I make a -- and this is -- I'm micromanaging, but
4 let me make a suggestion to TVA, but you-all put
5 together a generic press release saying about the
6 decision that's been made for this and what you're
7 looking for and then distribute it to each member's
8 district so that, if they so inclined, the
9 subcommittee member -- that if you're interested the
10 contact should be this, I'm talking about the
11 Council itself, even the people that aren't here,
12 and then they can decide whether they want to issue
13 it or not. If they don't want to, that's fine.
14 That's an immediate way to communicate and have a
15 source of input back in to the person from your own
16 area.

17 MR. AUSTIN CARROLL: Just a point
18 that I would like to bring up, we're making a
19 recommendation to TVA about how to select these
20 members, okay, this group that's going to advise
21 them, you know, TVA may or may not take that
22 recommendation. I mean, you know, we're going under
23 the assumption that we're --

24 SENATOR ROGER BEDFORD: I think they
25 are.

1 MR. AUSTIN CARROLL: I haven't heard
2 anything definitive back from TVA that that's the
3 way they want to go.

4 MR. BRUCE SHUPP: They haven't asked
5 us to tell them how to select it. They are asking
6 us to give them our best list of people who they
7 should contact to serve, that's what they're asking.

8 MR. AUSTIN CARROLL: You are asking
9 for that?

10 DR. KATE JACKSON: Yeah. I mean, I
11 don't think that we have committed, you know, you
12 give us a bunch of people who live in Chile and
13 we're going to take those recommendations, but, I
14 mean, if you give us a balance set, we want your
15 viewpoints and we very much want to put the people
16 on this public review group that you think are
17 appropriate because we want your support that we're
18 trying to do this in as an objective way as
19 possible, but I won't say that -- we will take the
20 recommendations extremely seriously.

21 DR. STEPHEN SMITH: We need to call a
22 vote.

23 MR. DAVE WAHUS: Given the proposal
24 that I have just reiterated and just reviewed again,
25 is there any opposition to proceeding in this

1 fashion?

2 MR. JIMMY BARNETT: One question of
3 clarification real quick, David, are you going to
4 get out the categories so all of us will know what
5 the categories are going to be?

6 MR. DAVID NYE: Yes.

7 MR. JIMMY BARNETT: I'm for it.

8 MR. DAVE WAHUS: Given the answer for
9 that, do I see any opposition?

10 Mr. Chairman, I see no opposition. I
11 commend you-all for dealing with the four issues in
12 a timely fashion.

13 SENATOR ROGER BEDFORD: I know we're
14 about to go, and I'm ready to go, too, but I've
15 thought of something I would ask the Council to chew
16 on before the next meeting; and that is, if this
17 Council that has been charged to make
18 recommendations to TVA chose to, by its silence,
19 recommend that they do not accept federal dollars or
20 do not go after federal dollars for the non-power
21 side, I think that is a powerful statement that this
22 Council does not want to make.

23 So as you deliberate between now and
24 the next meeting whether or not the Council should
25 take an official position, I would urge you to think

1 about if we don't do that, then, in fact, perhaps
2 we're sending the wrong signal that we think it's
3 appropriate not to seek federal funding.

4 Thank you.

5 MR. BRUCE SHUPP: One last piece of
6 business; and that is, to set the time and place for
7 the next meeting. I recommend the last week of
8 January and the location either Huntsville or
9 Knoxville.

10 How does that suit everybody's
11 calendar?

12 MR. JIMMY BARNETT: By the last week,
13 Mr. Chairman, you're talking about the 29th, 30th,
14 and 31st?

15 MR. BRUCE SHUPP: Yes, sir. Well,
16 you know, any time in there, you know, we could do
17 it the week before. I'm wide open right now. I
18 just thought it would give us time to --

19 DR. PAUL TEAGUE: It will be cold by
20 then. Why don't we meet in South Alabama or South
21 Georgia?

22 SENATOR ROGER BEDFORD: SanDestin.

23 MR. BRUCE SHUPP: Come on down to
24 Montgomery. We'll be glad to have you.

25 MR. THOMAS GRIFFITH: Preferably

1 Huntsville.

2 MR. LEE BAKER: I would say
3 preferably Knoxville.

4 MR. BRUCE SHUPP: Huntsville is
5 pretty good airport-wise and all the hotels are
6 close to the airport if we did get bad weather.
7 Huntsville would be good.

8 SENATOR ROGER BEDFORD: We'd be
9 honored to have you.

10 MR. BRUCE SHUPP: Huntsville, the
11 30th of January, how does that sound, Tuesday --
12 Wednesday, the 30th?

13 MR. DAVE WAHUS: Do you prefer a
14 single day or split days like we did this time?

15 MR. BRUCE SHUPP: One day.

16 MR. DAVE WAHUS: Mr. Chairman, I have
17 four or five items here that I have been listening
18 to the discussions yesterday and today that I have
19 for potential or tentative items for the agenda.
20 May I review those and see if there's any
21 additional?

22 MR. BRUCE SHUPP: Yes.

23 MR. DAVE WAHUS: First is the
24 recommendation -- and they are not necessarily in
25 the order of importance, a recommendation would be

1 presented by the water quality subcommittee on water
2 use management.

3 Second, feedback from TVA on today's
4 recommendations.

5 Third, a recommendation on the need
6 for non-power federal appropriations in the future
7 and the rationale for that. And Austin, I have you
8 down for making that presentation.

9 TVA will make a presentation on
10 present funding flow for non-power programs, and
11 Kate indicated she would be willing to have that
12 presentation.

13 And then lastly, a status report of
14 the resource operations study by Dave Nye or a
15 member of his staff as to where they are as of the
16 end of January.

17 MR. BRUCE SHUPP: Which would include
18 by that time the list of our nominees, and we would
19 all know that by letter, I'm sure, by that time.

20 MR. DAVE WAHUS: Are there any other
21 items that need to go on the agenda that you're
22 aware of at this time?

23 MR. BRUCE SHUPP: The status of the
24 Council.

25 MR. DAVE WAHUS: That's all I have.

1 MR. BRUCE SHUPP: Did we decide the
2 30th at Huntsville?

3 MR. AUSTIN CARROLL: Whoa. When we
4 say that, do we mean come in on the 30th and the
5 meeting is on the 31st?

6 MR. BRUCE SHUPP: No. We mean the
7 meeting would be all day on the 30th and you'd come
8 in whenever you choose and leave whenever you
9 choose.

10 MR. AUSTIN CARROLL: Well, the 31st
11 would suit me better.

12 SENATOR ROGER BEDFORD: What day of
13 the week is that, Thursday?

14 MR. BRUCE SHUPP: Legislative day,
15 Roger?

16 SENATOR ROGER BEDFORD: We will be in
17 session then, but it will be all right because it's
18 just the first month, so it should be all right.

19 MR. BRUCE SHUPP: Any problems with
20 the 31st? Good. 31st in Huntsville.

21 Thank you-all, very good meeting.
22 Thank you very much. Meeting is adjourned.

23 END OF PROCEEDINGS

24

25

October 23, 2001

Mr. Bruce D. Shupp, Chair
Regional Resource Stewardship Council
c/o ESPN Productions / B.A.S.S., Inc.
P.O. Box 17900
Montgomery, Alabama 36141-0900

Dear Bruce:

Thank you for the opportunity to meet with you and the other Council members at your August meeting in Guntersville. We appreciate the significant commitment of time and the hard work the Council and its subcommittees have invested in developing recommendations for improving our river and lands management efforts.

Enclosed is our formal response-of-record to the Council's first round of recommendations on integrated management of the Tennessee River system, management of public lands, and aquatic plant management policy. This response is based on our discussions with the Council and the Integrated River Management Subcommittee at the Council's August 29th meeting.

TVA accepts the great majority of the Council's recommendations. Those few points for which we required clarification are identified and explained in the response-of-record.

As we said during our remarks in Guntersville, the Council members are providing an invaluable service to the citizens of the Tennessee Valley. Your recommendations will help guide TVA as we continue our focus on excellence in business performance and generating prosperity in the Valley. Please extend our gratitude to the Council for their continuing efforts to increase the value of TVA's service to the region.

Sincerely,

Original signed by

Glenn L. McCullough, Jr.
Chairman

Original signed by

Skila Harris
Director

Enclosure

TVA Response to Regional Resource Stewardship Council (RRSC) Recommended TVA Policy on Aquatic Plant Management, dated May 18, 2001.

RECOMMENDATION

- TVA will assume the leadership responsibility for resolving problems with and disputes over aquatic plants within the Tennessee River system. TVA will take the lead in bringing stakeholders and technical experts together to discuss and define the problems, voice concerns, design management plans, and develop funding strategies. Administration, implementation and financial responsibilities will be negotiated among local, state, and federal government agencies, TVA, and other stakeholders.

TVA accepts this recommendation.

RECOMMENDATION

- TVA has the responsibility for organizing the stakeholders, defining aquatic plant problem(s), and designing aquatic plant management plans. Because the Tennessee River is a federal waterway and because aquatic plant management is a routine activity of federal water management agencies, it is appropriate for TVA to pursue federal funding assistance for aquatic plant management. It is also appropriate for TVA to negotiate with local government and aquatic plant management beneficiaries to ask them to share an equitable portion of aquatic plant management costs. These negotiations should result in written financial agreements among the aquatic plant management partners to assure management program continuity.

TVA accepts the leadership role of initiating negotiations with appropriate stakeholder groups on the issue of shared funding. Potential sources of additional funding on some reservoirs include local or state governments, stakeholder groups, private citizens, and corporations.

Federal funds are no longer available to TVA, and existing legislation specifically identifies the funds other than federal appropriations that TVA is to use for its essential stewardship responsibilities. If federal funds become available from sources other than direct appropriations to TVA, or if Congress chooses to provide appropriations to TVA for the purpose of aquatic plant management, such funds could reduce the need for TVA's portion of the funding of these activities from power revenues.

TVA will work with local and regional stakeholders to develop shared funding arrangements in cooperation with the various stakeholder groups as appropriate. The year-to-year fluctuations in funding requirements and the funding available to potential partners make it counterproductive to require that stakeholder groups make binding long-term financial commitments.

We acknowledge the advantages of having some local responsibility for shared funding and will work to develop such arrangements where possible. TVA requests additional guidance from the Council concerning the equitable sharing of costs among aquatic plant management beneficiaries.

RECOMMENDATION

- The planning team for any aquatic plant management plan must be comprised of the range of stakeholders from within the watershed who have an interest in aquatic plant management. A representative list of stakeholders should include, but not be limited to: local citizens; lakeside property owners; lake associations; recreational users (anglers, boaters, swimmers, hunters); marina owners; federal, state, and local government natural resource and tourism agencies and elected officials; environmental and conservation groups; tourism interests; local businesses and industries and interested universities. The plan will clearly define the problem(s) and define goals, objectives, strategies, and evaluation techniques. The planning process will be open to the public. A scoping session to identify public concerns must be part of the process. Implementation plans will be conveniently available at TVA and cooperating stakeholder locations.

TVA accepts this recommendation as a confirmation of our existing policy of including all relevant stakeholder groups in aquatic plant management planning efforts and our current methods of documenting management plans.

RECOMMENDATION

- Annual goals and performance reports will be provided to the media by TVA, and/or designated stakeholders, and through public meetings in selected communities. On recurring aquatic plant management programs, the original stakeholder planning group will be converted into a stakeholder advisory group that will be used to monitor and apply adaptive management decision to the management objectives.

TVA accepts the recommendation that aquatic plant management goals be established and performance reported. Each year prior to the beginning of the aquatic plant growing season, TVA will work with stakeholder planning groups to establish a plan for the areas to be managed. After the end of the growing season, TVA will report back to the planning group on the success of the plan in achieving its objectives. These stakeholder planning groups can continue to participate in the development and monitoring of aquatic plant management plans. We understand from the discussion at the August 29th RRSC meeting that you did not intend that these groups become official advisory committees as defined in the Federal Advisory Committee Act and that their continuing involvement in their present form meets the intent of your recommendation.

Summary

TVA accepts the great majority of the recommendations associated with the Council's recommended Policy for Managing Aquatic Plants.

We accept the leadership responsibility for resolving problems with and disputes over aquatic plants within the Tennessee River system.

TVA also accepts the leadership role of initiating negotiations with appropriate stakeholder groups on the issue of shared funding. However, as was discussed at the August 29th RRSC meeting, TVA does not feel that requirements for binding financial support agreements will be the best way

to develop partnering arrangements for aquatic plant management activities across the reservoir system. We will work with stakeholder groups at the various reservoirs to develop appropriate funding arrangements on a case-by-case basis. Although federal appropriations are not available for these programs, we will look for opportunities to develop shared funding agreements with local and state governments and other stakeholders.

We agree to work with stakeholder planning groups to establish annual plans for plant management and to report back to the groups on the success of the plans in achieving their objectives.

TVA Response to Regional Resource Stewardship Council (RRSC) Policy Recommendations on TVA's Management of Public Lands, dated May 18, 2001.

RECOMMENDATION

- TVA public lands are a public good. Therefore they should be utilized and managed for long-term benefits as determined by an informed and fully representative public involved in planning and decisionmaking. TVA is the appropriate entity to continue management of the public lands under their stewardship.

TVA accepts this recommendation.

RECOMMENDATION

- Water quality should be a number one consideration.

TVA accepts this recommendation and will continue to manage TVA shoreline and lands to improve, protect, and enhance water quality.

RECOMMENDATION

- TVA should continue with land use plans scheduled and updated others periodically, as well as actively manage and implement plans with appropriate management techniques.

TVA accepts this recommendation.

RECOMMENDATION

- To contribute to the sustainability of the region, TVA should balance multiple benefits including conservation, economic development and recreation. A balanced set of recreational experiences be provided on TVA-managed lands.

TVA accepts this recommendation and will continue to strive for this balance in our land planning processes.

RECOMMENDATION

- TVA-managed property currently evaluated as appropriate for industrial development should be included in the site selector system and be made available for potential use.

TVA accepts this recommendation and will have appropriate properties included in the site selector system. TVA evaluates appropriate property use through the reservoir land use planning process. Plans developed since 1995 best reflect the current public opinion and site conditions. TVA will include appropriate property from these plans first, and then others as TVA updates reservoir land use plans.

RECOMMENDATION

- Future industrial, commercial, and residential development should enhance natural resource conservation by incorporating innovative site planning and design techniques.

TVA accepts this recommendation for residential access where we will continue to use provisions of the Shoreline Management Policy to incorporate such techniques. For industrial and commercial land uses, we will continue to encourage use of best management practices, buffer zones, and restoration of shoreline areas.

RECOMMENDATION

- Funding for public land management should not be unduly borne by rate payers. Additional funding sources, new or enhanced partnerships, and creative approaches are critical to the long-term effective management of TVA's public land resources and the overall well being of the region and the nation. Local, state, and other agencies of the federal government, in addition to private associations and entities, should actively assist TVA in finding new funding, establishing partnerships, and developing creative funding approaches.

TVA accepts this recommendation. We will continue to identify opportunities to work with other government agencies and private concerns in the development of innovative partnerships to share costs of TVA's public land management activities.

RECOMMENDATION

- Legislators of the region should periodically explore the feasibility of resuming federal appropriations at some point in the future for TVA's unique and historic stewardship and public responsibilities.

This recommendation is not directed to TVA. Present law specifically identifies the funds other than direct appropriations that TVA is required to use for these activities.

RECOMMENDATION

- Economic sustainability for both new and existing activities / facilities should be examined.

TVA accepts this recommendation and will continue to evaluate its existing and proposed public land programs and facilities to ensure they can be maintained to meet the future needs of the public.

RECOMMENDATION

- TVA should examine fee structures and full reimbursement as methods to recoup all or an appropriate part of the costs of public land management.

TVA accepts this recommendation to examine reimbursement policies. Several years ago TVA reviewed and revised its cost recovery practices for Section 26a permitting, land use application processing, and environmental reviews. TVA also receives revenue from land leases, campground operation, and license agreements. We will periodically review our costs for and revenue from activities for which we presently charge fees and make revisions as needed to ensure we are appropriately recovering our costs.

RECOMMENDATION

- TVA's debt and the need to keep rates competitive with deregulation on the horizon should be kept in mind. TVA should ensure that adequate levels of maintenance services for existing recreation facilities are provided.

TVA accepts this recommendation. TVA continues to look for improved efficiencies in all of its activities, and our public land processes are no exception. We will continue to ensure our public use facilities are meeting public needs and will identify cost-sharing recreational partnerships where such arrangements are in the public's best interest.

RECOMMENDATION

- Decisions made in the future relative to TVA public lands should be guided by scientific research, substantive input, and the needs of an integrated river management system.

TVA accepts this recommendation and will continue to employ scientists of the highest caliber for ongoing and project-specific research needs.

RECOMMENDATION

- TVA should build in the capacity to change, be more accepting of change and adaptable to the changing environment and needs of communities, particularly as it relates to customer service. TVA has made some improvements in its customer responsiveness. However, continued improvement is warranted in customer interactions relating to implementing shoreline management policies and working with the public on lake level fluctuations.

TVA accepts this recommendation. While, as you acknowledge, we have made some improvements in customer responsiveness, we agree that there is still much room for improvement. We will modify our processes and provide training to employees in the area of customer interactions.

Summary

TVA accepts the great majority of the Council's Policy Recommendations on TVA's Management of Public Lands.

TVA will continue to manage the public lands under its stewardship for long-term benefits with water quality as a number one consideration.

TVA will develop and update reservoir land use plans and will manage our public lands for multiple public benefits and provide a balanced set of recreational experiences.

TVA will include lands evaluated as appropriate for industrial development in the site selector system. The Shoreline Management Policy will be utilized to ensure future residential development enhances natural resource conservation. For industrial and commercial land, TVA will encourage use of best management practices, buffer zones, and restoration of shoreline areas.

TVA will develop innovative partnerships with stakeholder groups and government agencies to share costs of public land management activities. TVA will evaluate existing and proposed public land programs and facilities to ensure they can be maintained to meet future public needs. TVA will re-examine its reimbursement policies for activities associated with public land management to ensure that we are appropriately recovering those costs. TVA will ensure that adequate levels of maintenance for existing recreation facilities are provided.

TVA will consider public input, scientific research, and the needs of the integrated river management system in its decision making on public lands issues. TVA will continue to improve its customer responsiveness.

TVA Response to Regional Resource Stewardship Council (RRSC) Policy Recommendations on TVA's Integrated Management of the Tennessee River System, dated May 18, 2001.

RECOMMENDATION

- Encourage TVA to continue its role in regional economic development including:
 - providing low cost and stable power supply
 - hydro power
 - power reliability
 - meet increasing power demands
 - efficiency in hydro operations as it relates to other issues (upgrading equipment, optimizing for power production; protecting water quality; understanding economic development relationships)
 - maintenance of locks and channels
 - stewardship of the natural resource values of the lands and waters.

TVA accepts this recommendation with the caveat that we must continue our commitment to flood risk reduction along with the other roles you list. We will continue our focus on supporting prosperity in the Valley through our integrated management of the river and power systems.

RECOMMENDATION

- Encourage TVA to operate the reservoir system for sustainable growth and keep commitments (water temperature, minimum stream flows, etc.) to existing industry and communities.

TVA accepts this recommendation and will study watershed-wide trends in growth and water use in order to identify potential limitations on future development, water use, and river health.

RECOMMENDATION

- Express the subcommittee's concern about atmospheric deposition of rising mercury levels in lake/reservoir waters.

TVA takes note of your concern. To date, our data do not indicate that mercury levels associated with atmospheric deposition are increasing. We will continue to monitor the reservoir water quality for this and other potential problems and will make that data available to the public.

RECOMMENDATION

- We recommend that TVA re-examine its policies impacting lake levels and that TVA's re-examination efforts include consideration of both the costs and benefits of any potential changes to policies impacting lake levels and that TVA begin this formal re-evaluation as soon as possible. We recommend that TVA establish a "critical path" approach and consider doing the water quality portion of the overall Environmental Impact Study in the early stages to establish the water quality parameters of the entire Tennessee River system before any, other

than minor, changes to the integrated river management by TVA are made. The water quality portion of the study should include consideration of the applicable water quality laws in each of the seven states of the TVA region.

TVA accepts these recommendations and will begin the formal study in FY 2002.

RECOMMENDATION

- We recommend that TVA incorporate public participation in its studies to ensure the credibility of the studies. We recommend that this include forming one or more ad hoc committees which would include, among others, members from the Council, be formed to help ensure such participation.

TVA accepts this recommendation to incorporate public participation, and we hope that members of the Council will continue to contribute their hard-won understanding of the issues and personal perspectives on the issues as we begin this two-year task. TVA staff will work with the Council to identify appropriate and effective methods for incorporating Council and stakeholder priorities for TVA's management of the reservoir system.

RECOMMENDATION

- While the more comprehensive study is being completed, we encourage the target date for unrestricted drawdown of the TVA lakes be delayed beyond August 1, beginning this fiscal year, for as many days as possible within the existing legal and operational constraints.

TVA could not make a commitment to delay drawdown of tributary reservoirs this year due to the extended dry weather experienced for the past few years and the potential for thermal and power transmission problems associated with expected high August temperatures. However, heavy rain received in late July and early August resulted in higher reservoir levels for several additional weeks on many of the tributaries.

Summary

TVA accepts the Council's recommendations concerning the Integrated Management of the Tennessee River system, except for the request that we delay reservoir drawdowns this year.

TVA will initiate a comprehensive re-evaluation of TVA's policies that affect reservoir levels in FY 2002. We request that the Council work with us to provide additional guidance on representing the value of the competing demands on the reservoir system.

**Addendum to
Integrated River Management Subcommittee
Policy Recommendation on
TVA's Integrated Management
of the Tennessee River System**

Approved by the
Regional Resource Stewardship Council
on May 18, 2001

**Addendum Approved by the
Regional Resource Stewardship Council
on October 26, 2001**

- 1) Recommend to the Council that consideration of changing the winter pool level from 354 feet to 355 feet in elevation on Kentucky Lake to aid in navigation of the waters below Pickwick Dam be added to the Reservoir Operations Study.
- 2) Recommend to include in the TVA Reservoir Operations Study consideration of the flow requirements on the Upper Ocoee River, to include a cost/benefit analysis approach for river recreation and economic development. Please refer to the Post Olympic Impact Analysis (EIS) of the Ocoee River (1996) and to the ongoing Cooper Basin Economic Development Association Study. For background, see the attached notes from the IRM subcommittee meeting with whitewater interests in Ducktown, Tennessee, on September 28, 2001.

Attachment

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**Notes from IRM Subcommittee Meeting with Ocoee Outfitters
September 28, 2001 - Ducktown, Tennessee**

Attendees

See attached list.

Austin Carroll, serving as subcommittee chair, thanked Kevin Colburn and the outfitters for bringing their issues to the attention of the Regional Council and for organizing the meeting in Ducktown. He reviewed the Council charter and described how the subcommittees evaluate issues to the Council for consideration.

Kevin Colburn, representing American Whitewater, a member-organization of private whitewater recreationists, described his understanding of the FERC dam re-licensing process and how it serves to increase whitewater recreation below privately owned dams.

Robin Kirsch, TVA staff, presented a history of the Ocoee Olympic venue development and the evolution of water release agreements with the commercial outfitters and the U.S. Forest Service. She used a hand-out schematic of the river depicting the stretch from Blue Ridge Dam to Ocoee #1 dam to acquaint Council members with the upper Ocoee and middle Ocoee rafting areas, describing the tunnel and flume operations that deliver water to buildings that house the generators. Unlike other dams, the generators are not a part of the dam structure, so the water doesn't serve both purposes - it is either diverted to the powerhouses or released in the river bed. Robin also explained the economics, physical limitations and current operations trade-offs between hydropower generation and whitewater releases.

W. C. Nelson described the land use patterns on the Blue Ridge reservoir, noting that shoreline lots are going for \$800,000. He expressed concern that the outfitters need to recognize that Blue Ridge residents would like higher pool levels later into the fall months which outfitters needed to take into consideration when asking for additional water releases. The outfitters noted that the Blue Ridge residents did not pay a fee for the benefits of the water above the dam like they do for the benefits of the water below the

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dam. Aquatic health considerations were discussed; the water is highly acidic, partly due to the residual of the copper mining pollutants and partly naturally occurring. In short, the river supports little to no aquatic species.

Outfitters clarified the issues associated with the upper section and middle section of the river:

Middle Section: A \$2.50 per customer amusement tax is required by the county, \$1.00 per rafter goes to TVA to repay the U. S. Treasury for the 35-year, interest-free loan appropriated by Congress, and \$.50 goes to the state of Tennessee for management of the river. The outfitters are currently in litigation with Polk County over the amusement tax. There are 116 days of releases scheduled each year on the middle section of the Ocoee River.

Upper Section: The upper section is the site of the Olympic racing venue. The current contract between TVA and the outfitters for water releases on the upper Ocoee River allows for 20 days of water releases; for 8 of these days TVA donated the water in 2001. In 2001, the outfitters paid \$4.50 per rafting customer to TVA for water releases, and this amount will increase to \$6.25 in 2002 and 2003, per the contract, because the contract stipulates no free releases after this year. TVA has donated water releases each year since the 1996 Olympics for special events and competitions on the upper Ocoee River. Background - the TVA Board committed to this donation in the TVA Record of Decision (ROD) for the post-Olympic Environmental Impact Statement. The ROD stated that all water releases will be reimbursed except for 10 of the 20 days of releases for special events and competitions for the first 5 years after the Olympics. This was increased to 13 days of free releases in 2000 and 2001 to help support the Slalom World Cup Championships.

The Executive Director of the Copper Basin Economic Development Association (CBEDA) described the recently truncated World Cup Slalom financials, which included fundraising and sponsorships for the cash purse. The goal was to break even, noting that timing of events is important because of the cost differential between summer and fall water releases. He further explained that CBEDA is developing an economic development plan using grants from the Appalachian Regional Commission, TVA, and

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the Forest Service and that whitewater is the backbone of that plan - it is the primary asset the county has to work with. He estimates that it will cost two cents per ratepayer, per year to get the water they need to build a stable and sustainable whitewater economy.

Subcommittee asked if investor-owned utilities donated water. Kevin Colburn stated that FERC is requiring investor-owned utilities to donate water as recreation is being given equal consideration in re-licensing. Subcommittee asked Kevin to secure documentation about other federal dams that are required to dedicate water releases to whitewater.

Carlo Smith, President of the Ocoee River Outfitters Association, described his review of the water pricing formula, stating that in lieu of more donated days or more total days of release, that there is room to create a new formula for factoring the reimbursement rate. He stated that the foregone cost of power is factored by using spot market prices at peaking, which puts the kWh price on the high end of pricing.

David Brown of America Outdoors, a national coalition of commercial outdoor adventure operators, stated that the flat water beneficiaries of the Lake Improvement Plan have never paid the annual \$2.3 million in foregone power costs in order to get summer pools and asked why the rules are different for the Ocoee whitewater beneficiaries especially considering that whitewater is the backbone of the economy in the very poor Polk County. He noted that the profit margin on the upper Ocoee is greater than on the middle because the experience is higher impact, of higher quality, so more can be charged per person. On the middle Ocoee, outfitters' net revenue per trip averages \$25; the 24 outfitters charge different prices.

Subcommittee asked what the bottom line request from the outfitters is:

- 1) they want the rules and water releases to be the same on the upper Ocoee as are now applied to the middle Ocoee;
- 2) they want a process that would place greater emphasis on the values of whitewater recreation on the river, and,
- 3) they want the economic development people from TVA to be reunited with their issues - they believe they are not getting a fair assessment from TVA because their issues and cause have been relegated to an operations organization.

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It was clarified that private paddlers do not pay any fee for use of the water. Alternative 5 in the U.S. Forest Service EIS - that would be an ideal solution.

Austin committed to the outfitters that the IRM subcommittee would talk to the Council about making a recommendation to TVA.

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WHITEWATER MEETING
IRM SUBCOMMITTEE
SEPTEMBER 28, 2001
DUCKTOWN, TENNESSEE

Attendees

Austin Carroll
General Manager
Hopkinsville Electric System
P.O. Box 728
Hopkinsville, Kentucky

Lance Lake
Wildwater Ltd./OROA
P.O. Box 507
Ducktown, Tennessee 37326

Carlo Smith
Adventures Unlimited/OROA
Route 1, Box 540
Ocoee, Tennessee 37361

Robin Kirsch
TVA River Scheduling
400 West Summit Hill Drive, WT 10D
Knoxville, Tennessee 37902
rekirsch@tva.gov

Frank Lewis
U.S. Forest Service
P.O. Box 2010
Cleveland, Tennessee 37320

Leland Rymer
CBEDA
43 Ocoee Street
Copperhill, Tennessee 37317

Michael and Stephen Smith
Hiwassee Outfitters
P.O. Box 62
Reliance, Tennessee 37369

Jack Marcellis
1832 Old Ringgold Road
Chattanooga, Tennessee 37404

W. C. Nelson, Jr.
2075 Allison Road
Blairsville, Georgia 30512

Kevin Colburn
20 Battery Park Avenue, Suite 302
Asheville, North Carolina 28801

Miles Mennell
Association of Tennessee Valley
Governments
42 Compton
Bristol, Tennessee 37620

Tom Vorholt
Ingram Barge Company
4400 Harding Road
Nashville, Tennessee 37205

David L. Brown
America Outdoors
P.O. Box 20847
Knoxville, Tennessee 37939

Kate Marx
TVA
400 West Summit Hill Drive, WT 11A
Knoxville, Tennessee 37902

Water Quality Subcommittee
RECOMMENDED TVA POLICY
ON IMPROVING BIODIVERSITY IN THE
TENNESSEE RIVER SYSTEM

Approved by the
Regional Resource Stewardship Council
on October 26, 2001

BACKGROUND

Biodiversity is defined as the totality of genes, species, and ecosystems in a region or the world. Implicit in the concept is the interlocking web of dependencies of the naturally occurring species in a functional ecosystem. The southeastern U.S. is globally recognized as one of the “hotspots” of native aquatic biodiversity, with about 90% of the world’s species of mussels and crayfishes, about 73% of the aquatic snails, and about 50% of the freshwater fishes of the continental United States. Nowhere is this truer than in the Tennessee River with its diverse assemblage of fishes, amphibians, mussels, and other invertebrates. The Tennessee River system is home to about 230 species of fishes and 100 species of mussels, many of which are endemic to the watershed. The diversity is concentrated in the upper Tennessee Basin, with about 150 native fish species and 85 mussel species.

However, about a dozen fish species are federally listed as endangered or threatened and about 65 other species are listed under management categories used by the states. About 30 mussels have been extirpated from the Tennessee River system, of which about a third are considered to be globally extinct. Twenty-eight mussels are under federal protection, and 56 are listed by the states. Other invertebrates are less well known, but the Tennessee River system also claims two crustaceans and four snails under federal protection.

These reductions in biodiversity stem largely from the habitat alterations associated with reservoir impoundment. Flow disruptions caused by dams and diversions alter normal river functions by changing water temperature and chemistry, by stopping the flow of nutrients and sediment downstream, by interfering with the upstream and downstream movement of fish and other organisms, and by choking gravel and cobble substrates with sediments.

The Tennessee Valley Authority, as both the cause of the habitat alterations responsible for the decline in the Tennessee River system’s aquatic biodiversity and the lead federal agency responsible for the maintenance and health of the system, has an obligation under

Water Quality Subcommittee
RECOMMENDED TVA POLICY
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(cont.)

both the Clean Water Act and the Endangered Species Act to protect and restore the native biodiversity of the waters under its jurisdiction, within the constraints imposed by its other statutory mandates.

TVA has taken some significant steps in that direction. It has established a Natural Heritage Project, which works toward identifying and protecting the Tennessee River's native species. It participates on the multi-agency Southeastern Imperiled Fishes Recovery Committee. TVA's Watershed Teams work to protect aquatic habitat in streams, rivers, and reservoirs. TVA's Reservoir Releases Improvement program has restored more natural flow regimes in regulated river reaches and raised the dissolved oxygen levels in a number of reservoirs, thereby improving conditions for aquatic life below those dams. And TVA has made responsible use of its regulatory authority under Section 26A of the TVA Act and the National Environmental Policy Act to avoid, minimize, and mitigate for adverse environmental impacts associated with permitted activities.

Recommendation

The Water Quality Subcommittee affirms the importance and priority insofar as practical of protecting the Tennessee River system's existing aquatic biodiversity and restoring its historical biodiversity; therefore, we recommend TVA take the following actions:

1. Maintain the current levels of biodiversity in the Tennessee River system by meeting its obligations under the Clean Water Act and the Endangered Species Act, by continuing its existing efforts on behalf of native species biodiversity, and by adopting a No-Net-Loss policy for native species.
2. Improve the biodiversity of the Tennessee River system by considering native species' habitat needs when planning and implementing river operations and through the use of TVA regulatory tools.
3. Partner with other agencies, organizations, and stakeholders to identify needs and implement strategies that will improve biodiversity.
4. Initiate planning and actions for the improvement of biodiversity by taking the leadership role with its partners in the Tennessee Valley.
5. Manage TVA lands and waters as examples of responsible stewardship that protects and/or improves the region's biodiversity.
6. Sustain TVA's preeminent ecological expertise and data collections; and preserve TVA's institutional memory by documenting the history of TVA's ecological contributions to science and the Tennessee Valley.
7. Engage in a public awareness campaign to make Tennessee River Valley residents aware of the extraordinary native biodiversity of the region and TVA's stewardship efforts.

Notes – October 25, 2001
Regional Resource Stewardship Council
Brainstorming Session on Reservoir Operations Study

David Nye – Overview of public involvement need.

- Group of public participants to maintain open dialogue to aid understanding of issues
- 5-7 in the group
- Confidentiality statements will need to be signed by group members due to proprietary information that may be shared

Group to help:

- Is objective
- Acts as sounding board
- Understands issues
- Helps articulate
- Provides feedback
- Asks tough questions
- Is interactive

Examples of what the group might be called on to do:

- Review contractor documents/proposals
- Maintain dialogue with technical experts on flood risk proposals

Group would meet a minimum of 1 time per month, all day sessions.

Discussion

Council discussed qualifications of group membership:

- Should not prohibit paid representatives of interest groups
 - Diverse constituencies
 - 2-year commitment is significant
 - Add people with specific expertise
 - Consistency is an issue
- Council has/can develop subcommittee to identify participants and give focused wisdom
- Ask Council to nominate names in given categories
- Group to provide feedback to Council
- Look at Council subcommittees as base for group membership (ask them who doesn't want to participate in the Group)
- Use subsets to the Council
- Council already has a base of knowledge and have already-established communication lines
- Important for TVA to get "outside of itself" to get objective input
- Avoid formality of FACA process requiring significant advance notice of meetings; only have 2 years for the process

- Difficult to get commitment from members—monthly meetings may be too frequent for people to commit the time

Summary

- Support the concept
- Difficult time staffing the Group—use various subsets of Council and possibly other select individuals if necessary due to subject matter (may need larger pool to draw from, given intensity of the study)

Action Items

- Identify diverse areas – David Nye
- Identify pool of 3 or so people expert in each area. Choose number of people from that pool as needed to meet with Group – IRM Subcommittee, Other Subcommittee Chairs, Council Chair
