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2
3 REGIONAL RESOURCE STEWARDSHIP COUNCIL MEETING

4 APRIL 27TH & 28TH, 2011

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7 VOLUME II OF II

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11 LOCATION:

12 TENNESSEE VALLEY AUTHORITY

13 400 WEST SUMMIT HILL DRIVE

14 KNOXVILLE, TENNESSEE 37902

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MR. ROBERT J. MARTINEAU, JR.

MR. W. C. NELSON, JR.

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*MR. RUSSELL TOWNSEND

*PRESENT FOR THE MEETING

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TENNESSEE VALLEY AUTHORITY DESIGNATED FEDERAL OFFICER

MS. ANDA A. RAY, DFO
SENIOR MANAGER, OE&R
TVA ENVIRONMENTAL MANAGER
TENNESSEE VALLEY AUTHORITY
400 WEST SUMMIT HILL DRIVE
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P R O C E E D I N G S

1
2 CHAIR DEBORAH WOOLLEY: Again, I am
3 Deb Woolley. I trust everybody slept through the
4 storms, survived it okay. I know Beth had some real
5 problems at her house and some damage. So it's kind
6 of scary.

7 I think as we start out and move
8 ahead, we need to get back on schedule very quickly.
9 I think, Anda, you wanted to take some time and kind
10 of give us a storm update. I think a lot of TVA
11 didn't sleep all night.

12 DFO ANDA RAY: All right. Well, I
13 think we made the right call on not going to dinner
14 last night.

15 I will let you know that the TVA
16 system has had the worst transmission failure in its
17 history. Last night we had -- we lost all the 500 KB
18 lines out of Mississippi and Alabama and some in
19 Tennessee. We lost over 85 161-KV lines. That's the
20 lower voltage lines that goes to the distributor
21 customers.

22 There were 200 structures that were
23 damaged. We have dropped 3,000 megawatts off the
24 system, and one of those was Browns Ferry 1 through 3
25 because we didn't have off-site power. So right now

1 we're bringing those plants down to cold shutdown
2 because just keeping them running, we wouldn't have
3 the power -- the transmission lines to be able to
4 transmit the power.

5 So they are all the -- the RHR, the
6 residual hit removals, are working. Two of the units
7 are partially -- one of them is totally on diesel.
8 The other did have a 161-KV line. So we're working
9 to condensate cooling water systems and the other
10 safety systems to bring those plants down to a full
11 cold shutdown.

12 Widow's Creek only had two plants
13 running, seven and eight. The tornado went through
14 the switch yard. It lost power to unit 7. Unit 8
15 lost power to the scrubber. So we were operating
16 with excursions in opacity. We did have -- get the
17 power back to the scrubber. So we're now running
18 unit 8 in the appropriate mode within the appropriate
19 environmental limits.

20 The priority for power restoration
21 right now is nuclear No. 1, along with critical
22 infrastructure for industries, such as hospitals and
23 emergency response activities. The military is also
24 a top priority in this activity.

25 We did activate our energy operations

1 centers in nuclear. One of the issues was making
2 sure that we were operating in a limited condition of
3 operation for Sequoyah, which means that the grid was
4 labeled as red, very high risk. If you don't come
5 out of that in 24 hours, then you have to shut the
6 plant down. So we're currently evaluating. We're
7 still within that 24-hour time frame for Sequoyah.

8 If we shut Sequoyah down and you shut
9 Browns Ferry down and you have Widow's Creek, we are
10 in a reliability situation that affects the Tennessee
11 transmission grid and would begin to have controlled
12 shutting of load on the system.

13 All of the distributors, you-all that
14 are in here should -- should have been contacted, and
15 I think you're working through your own issues on the
16 distribution level. The damage assessment for TVA
17 and the distributors has been hindered because of the
18 system last night. We're not going to send people
19 out in that situation.

20 We had over 115 -- at midnight we
21 had -- and that's about when the activity stopped for
22 us in the TVA service storage area. We had about 115
23 tornadoes in the TVA service territory. I think
24 right now they may have had two more, up to 117,
25 because there were a couple of rogue ones that

1 happened in the middle of the night.

2 So with that, with the flooding we had
3 the only plant that was at issue was Allen, and it
4 crested within 2 to 3 feet of when it would have
5 affected operations. So we're okay with Allen in
6 that plant.

7 So with that, those of you that need
8 to leave, if you need to leave because of this
9 situation in your state, if you will let us know
10 because at that point in time we probably won't have
11 a quorum and we will terminate the RRSC. But if you
12 can stay, we will try to make this quick and very
13 productive because we really need your input, but I
14 understand there's other priorities.

15 There have been reported -- we don't
16 have it in the TVA service territory, but there are
17 140 deaths so far. For those of you that watched the
18 news this morning, you can imagine that there's part
19 of Alabama that look like Hurricane Katrina came
20 through.

21 So with that, any questions on the TVA
22 system?

23 Anything you want to add, Bruce? You
24 were on the calls last night.

25 MR. BRUCE SCHOFIELD: No. That well

1 covers it pretty good. We're in very poor shape.

2 DFO ANDA RAY: It's not good. We have
3 people calling up, distributor customers, that are
4 going, okay, TVA, come on and get that line on, like
5 you put a little pressure on us and we'll put
6 priority, it isn't happening. It's going to be weeks
7 before some of these lines get back up. It is the
8 worst damage we have ever had.

9 Yeah, Renee.

10 MRS. RENEE HOYOS: Do you guys do
11 rolling brownouts or is that something the
12 distributors do?

13 MR. RON FUGATT: There is an emergency
14 load curtailment plan where the distributor does a
15 voltage reduction and then the voltage reduction
16 actually goes to the industries, and if that doesn't
17 do it, then it goes to rotating blackouts.

18 MRS. RENEE HOYOS: And where are we in
19 that process?

20 MR. RON FUGATT: They are probably in
21 the 30 -- step 30 probably. I haven't heard. Have
22 you heard?

23 MR. MARK IVERSON: No.

24 DFO ANDA RAY: For us we're in the
25 notification process for our direct customers,

1 putting them on notice for those that aren't already
2 on, and that's for the first level of shutting load.
3 So we're not -- rolling brownouts and blackouts for
4 us is the last resort.

5 MR. RON FUGATT: That's the last
6 resort.

7 DFO ANDA RAY: We're not there yet.
8 Anything else? Anything else you guys, the
9 distributors, want to add, Ron or Mark?

10 MR. RON FUGATT: Well, of course, I
11 have been involved with two systems. As most of
12 y'all now, Cocke County got hit last night late by
13 evidently a tornado. It's tore down several
14 buildings near town, one being the adult education
15 center across from the high school.

16 They've got about 5,000 customers out
17 of 20,000. Chattanooga has got 90,000 customers out
18 of 170,000. So they are probably the worst hit. I
19 think they had all three of them that came through
20 that damaged the Chattanooga area. So that's where
21 they are.

22 DFO ANDA RAY: I don't know the total
23 customers.

24 MR. RON FUGATT: What's that? Bruce
25 said all of Huntsville is out.

1 MR. BRUCE SCHOFIELD: It was at one
2 time. I don't know how much they have got back.
3 Most of that is probably distributor lines, not TVA
4 lines.

5 MR. RON FUGATT: I know. Did you 161
6 lines that went out?

7 DFO ANDA RAY: 85.

8 MR. BRUCE SCHOFIELD: We are trying to
9 reroute.

10 MR. RON FUGATT: There is probably a
11 lot of load not served right now.

12 CHAIR DEBORAH WOOLLEY: Anda, will
13 there be problems to follow with water levels and
14 flooding or anything because I know they keep talking
15 about that as far as the Mississippi and the Ohio,
16 but I don't know about what we came through here
17 with.

18 DFO ANDA RAY: There will be -- from a
19 TVA perspective we were looking at those -- the plan
20 that I just mentioned with Shawnee and Allen, and
21 Allen was the critical one. From a community
22 perspective, yeah, there were flash flood warnings,
23 and the water is still rising this morning.

24 CHAIR DEBORAH WOOLLEY: Thank you. I
25 think -- I think -- thank you. That's scary. I

1 mean, it's -- the scope of it is just amazing.

2 I have been told my goal today is just
3 keep us on track and move quickly because people do
4 want to get back. There's a lot of people that need
5 to do things.

6 I think we're going to start now,
7 Randy, with an overview, and then we will move into
8 the four -- three questions and talk to you about
9 those.

10 MR. RANDY MCADAMS: Sure. We will
11 just -- first of all, good morning, everyone, and our
12 thoughts go out to all the people impacted by this
13 incredible storm. I hope everyone recovers well.

14 What I would like to do very quickly
15 is just recap yesterday, we were all in the room and
16 so I will do it very briefly, and then really talk
17 about what we want to do going forward, which is
18 focus on those questions that have been put to the
19 RRSC for which TVA is looking for advice from this
20 body.

21 Again, this Council is here to provide
22 advice to TVA. TVA has teed up three questions. I
23 think Anda's actually added a fourth based on the
24 discussion yesterday. We will probably start with
25 that question first, but first I want to summarize

1 that. We don't have hard copies of any of these
2 slides. So if we could get them projected, that
3 would be great.

4 Very quickly, if you'd go to that
5 agenda review slide, and I have no idea what number
6 it is.

7 DFO ANDA RAY: Oh, we're in the wrong
8 presentation, I bet. Yeah.

9 MR. RANDY MCADAMS: I will just speak,
10 how about that?

11 DFO ANDA RAY: No. There you go
12 behind you.

13 MR. RANDY MCADAMS: Okay. Again, just
14 to recap what we did yesterday, everybody was in the
15 room here along with us, but we -- Anda opened the
16 meeting talking about the Board feedback, which was
17 very positive. They provided some direction,
18 probably most notably was they are keenly -- they are
19 very supportive of this effort but keenly interested
20 in what is TVA proposing to do differently, and
21 secondly, what's it going to cost. I think that's
22 very appropriate because that's much of what the
23 discussion today or we heard yesterday was about.

24 I briefly overviewed the NRP, and
25 really the key points there were the schedule as

1 everybody recalls. As you well know, the draft has
2 been published. We're in the middle of the comment
3 period which will extend until May 16th. June will
4 be a month of digesting the comments and reacting to
5 them.

6 We have got some work to do on the
7 document, which we talked about at some length
8 yesterday, reconvening the -- this Council late June,
9 and then in July finalizing the NRP in anticipation
10 of the August Board event.

11 The bulk of the meeting, as you know,
12 was spoken -- was taken up with these program
13 recommendations, walking through those six areas you
14 see there. Again, I won't belabor that. That was 85
15 percent of the meeting yesterday, but as you recall
16 we walked through every resource area and talked
17 about the objective, the critical success factors,
18 and then here are the programs that are being
19 highlighted that are put in the blended alternative.
20 So you got a good flavor of that. We got some good
21 input and feedback and dialogue around that, and we
22 appreciate all of that, but that was the bulk of the
23 meeting.

24 Then we concluded with just the
25 guiding principles that this group has set forth and

1 how they are being addressed in the NRP, talked about
2 the public comments, and some the themes that were
3 coming out of the comments, the folks on recreation,
4 the focus on reservoir lands planning, particularly
5 around those reservoirs, close to those folks
6 impacted, and then lastly we closed it out. So that
7 was what we did yesterday, as everyone well recalls.

8 What we're going to do today, again,
9 I'm recapping the discussion, but we're really going
10 to focus, as I mentioned, on these three questions
11 which I will get to in just a moment.

12 A couple of key things that came out
13 of yesterday, if we could go to the next slide, and I
14 don't have this in front of me and we -- so it -- and
15 Bruce and Anda, I might ask you to kind of help walk
16 through me -- help me walk through this, but, you
17 know, we obviously talked about the need to be clear
18 on the program step-up, how a single program goes
19 from custodial to enhanced and flagship.

20 I think, Ron, you gave the example of
21 how do we go from 1 to 20,000 to 40,000, you know, we
22 need to be kind of clear and transparent on that.

23 Quantify costs and benefits was
24 another thing we heard for different programs, you
25 know, what are the costs, what are the benefits?

1 Performance measures for programs, how do we know
2 that we're moving forward towards those critical
3 success factors?

4 Cost trending from appropriate funding
5 forward, I believe that was a question that you asked
6 that, you know, back in the '90s or maybe the early
7 part of this decade there were appropriations that
8 were given and then those cut off and what are cost
9 trends since that period relative -- related to the
10 funding devoted to natural resource stewardship once
11 the appropriations were ended?

12 Risk analysis, and help me
13 exactly what --

14 MR. BRUCE SCHOFIELD: If we don't do
15 any, if we don't do this, what are the risks to the
16 reputation? What are the risks to the environment?
17 What are the risks to the constituents?

18 MR. RANDY MCADAMS: That's right.
19 Great. Great point. I remember that now. So should
20 this not be done, what are the risks? Thank you,
21 Bruce.

22 Water quality prioritization where TVA
23 can impact, that was that 303 discussion. Anda, you
24 can speak to this better than I can.

25 DFO ANDA RAY: It just means that to

1 look at where TVA can have the most impact in
2 changing impaired streams and reservoirs as opposed
3 to just kind of having a free-for-all, where are you
4 going to start, and that was Paul's comment, Paul and
5 Renee.

6 MR. RANDY MCADAMS: TVA total funding
7 for NRP implementation, what is the appropriate
8 level? I had mentioned that we have got three
9 questions teed up in the notebook, and we're going to
10 add a fourth one that we'll probably start with.
11 It's going to be this one, I think.

12 There's a dialogue around, what's the
13 appropriate level and what advice might this body
14 have for TVA related to that?

15 Simplify and streamline the NRP to
16 improve clarity, I think that goes without saying.
17 We heard that continually. We knew that coming in.
18 This draft document is intended to be very data
19 intensive and transparent about that. So we intend
20 the NRP -- and we've spent quite a bit of time
21 talking about that. So I don't need to belabor that.

22 Increase focus on public outreach and
23 education, that was sort of a theme that ran through
24 the day, I thought. Certainly you heard it from
25 every resource area because almost every resource

1 area was then asked, well, how does this relate to
2 the public outreach discussion that we had at the
3 outset of the day?

4 So public outreach is a key part of
5 it, I think, and I think that was a lot of the
6 dialogue coming back, you know, how can we increase
7 public outreach, you know, through the lake clean-up
8 efforts, the ecological education, you know, ideas
9 and some of the things like that that came out. So
10 that was a key theme we thought.

11 Incorporate recreation opportunities
12 throughout the NRP to reflect the public scoping
13 period, again, Renee, I actually think this was a
14 comment you made, which was an excellent one. You
15 know, a lot of the public comments related to
16 recreation, and I think the point was made, well,
17 should we highlight recreation more?

18 I think that's an open question we
19 will talk about about the prioritization of these
20 different areas. I think that's a great example of
21 where some advice from this body could be very
22 illuminating, you know, how should these things be
23 weighted?

24 Looking at that public comment bar
25 chart, it looked like the public seems to be very

1 focused on recreation. I think that would be a great
2 thing for this body to have an opinion on.

3 Clearly define implementation
4 approach, priorities, sequence and cost, et cetera, I
5 think that's another thing we will probably talk
6 about today. You know, there was talk about the time
7 element of this and what is the time dimension of
8 that, and maybe that's something we want to talk
9 about in broad terms. You know, what are near-term,
10 intermediate-term, and long-term kind of things that
11 TVA should be looking at, but that was the theme that
12 came out.

13 Lastly, highlight current TVA programs
14 and activities as compared to those presented in the
15 NRP, that was kind of a point that seemed to be made
16 a number of times about, well, this is great, but
17 what is TVA doing now? You know, custodial,
18 enhanced, flagship, that's great, but what is TVA
19 doing now?

20 So we probably need to be clearer on
21 that point. So those were some of the things we
22 heard yesterday and kind of a key theme.

23 Anything else? Anybody else want to
24 add any key points, RRSC members or staff or Anda?

25 MR. BILL FORSYTH: Something that

1 occurred to me thinking about what -- the numbers
2 Anda told us yesterday afternoon towards the end of
3 the session, the real piece of the pie we are looking
4 for our part of is not part of the 11 or 12 billion,
5 it's if you take out the cost of generation and
6 distribution, it's a lot smaller pie we're looking at
7 taking a slice out of it. It would be real good to
8 have a graphic of that at some point to get the
9 numbers on what's really left over that we want our
10 part of.

11 DFO ANDA RAY: I know the number.

12 MR. RANDY MCADAMS: Again, this wasn't
13 meant to be an exhaustive list, just kind of a
14 summary of some of the key points yesterday.

15 So with that, I will turn to what
16 we're going to do today and really the whole focus
17 today -- I'm sorry.

18 MR. MITCH JONES: Randy, I want to go
19 back to -- just for a moment before you move on.

20 MR. RANDY MCADAMS: Yes, please.

21 MR. MITCH JONES: When I got home last
22 night I started drafting a letter to you and Anda,
23 and, of course, we had three or four storms blow
24 through, but I have a real issue with this. So let
25 me just kind of hit my high points.

1 The first one is I'm very disappointed
2 in the appropriations that are set aside for this
3 effort. In the scheme of things you can
4 mathematically spin a set of numbers six different
5 ways, but we're missing the point.

6 I think the public is completely
7 misinformed about recreation. I don't know what the
8 questions were, I don't know what the comments were,
9 but just play a scenario with me for a moment.

10 If we take water quality, which is at
11 the bottom of the list, and the front page of the USA
12 Today tomorrow says that water quality on the
13 Tennessee Valley system sucks, how does that impact
14 TVA? How does it impact the public? How does it
15 impact revenues, bonds? I can go on and on.

16 MR. RANDY MCADAMS: Right.

17 MR. MITCH JONES: Tourism is -- is an
18 interesting -- what if 20 percent of the tourism
19 stopped coming to the Tennessee Valley system?

20 Tourism is a great way to generate
21 revenue for the public for this area. We do --
22 tourists come in and traditionally spend money. They
23 don't use our hospitals normally. They normally
24 don't use our education system. They normally don't
25 use our fire and police departments. Roads, yes, but

1 we have to have roads.

2 So they spend money, they drop that
3 into our pool, but on the front page of the USA Today
4 it says water quality in the Tennessee Valley systems
5 is bad, how does that impact us? What do you think
6 would happen to the TVA bonds? Junk? Worthless?

7 What if 20 percent of the people pack
8 up and leave out of the TVA system and pull a
9 Michigan, we're leaving because the water quality is
10 so bad in our system?

11 So, I mean, I drilled down on this. I
12 don't know what questions you asked and I don't know
13 where this information came from, but if our water
14 quality is not at a standard that is acceptable to
15 the public there is no recreation. There are no
16 biologists. We have dead fish. I can go on and on
17 and on. That's the core piece of what makes
18 everything else kind of spin around.

19 Just imagine 20 percent of the
20 population packing up and leaving because they can't
21 drink the water or they can't play in the water, what
22 happens? It's purely mathematical.

23 In the last component, everything that
24 you have shown us has no economics associated with
25 it. If I am going to go speak to the public about

1 this initiative, we need economics. We have got 500
2 accountants in this building somewhere.

3 That's all.

4 MR. RANDY MCADAMS: Those are two very
5 good points about water quality and the importance of
6 how that underpins everything and the focus on
7 economics. Great points.

8 DFO ANDA RAY: Yeah. I want to thank
9 you, Mitch. We have a huge gaping hole on the
10 economics, and we're not getting anywhere until we
11 address that. What you have brought us is the tie on
12 a couple of things that have come across.

13 First of all, on the -- let me mention
14 on the survey, it wasn't actually a survey. It was
15 like put this out, if you have any comments let us
16 know, and they -- and that's just what they said. So
17 I can see where people would focus on what they -- of
18 the end result and not on the fact that you enjoy
19 recreation because your kids can actually jump in the
20 water, right? That was what you were getting to.

21 So thank you. We have got a gaping
22 hole in the economics. We talked about that last
23 night. We have got to address that before this thing
24 goes any farther. We're going to talk a little bit
25 about the money in a minute.

1 One of the things that really hit home
2 for us is when National Geographic came to us and
3 working with the state on the geotourism and
4 everything they were mentioning on that geotourism
5 had to do with what almost everyone in this room and
6 somewhere in the Tennessee Valley area or the states
7 is working on because without those natural resources
8 this place does have tourism, it doesn't have people
9 coming in, and that is what this area has said is one
10 of their No. 1 industries is tourism because it's a
11 clean industry. It's not heavy industries.

12 So thank you for that. You hit the
13 nail on the head.

14 MR. MITCH JONES: That came from a
15 marina guy that is recreation driven, but, you know,
16 we don't have marinas that if the stewardship of this
17 water is not taken care of.

18 Renee was telling me -- just quickly
19 and I will shut up about it, I mean, it bothered me
20 all last night. Renee told me about a couple of
21 issues that she's experienced with people dumping
22 things into the lake. There is a high degree of -- I
23 know that you have got to deliver power. You have to
24 generate it, and that's what makes the world go round
25 and round.

1 CHAIR DEBORAH WOOLLEY: I was going to
2 add too, I think with my experience with public
3 comments, whether it's what you-all are doing or one
4 others are doing, you can't ever look at the
5 distribution of comments and change that into
6 emphasis.

7 My guess is in looking at this, if I
8 look at other -- when we have been out on
9 environmental comments on other things or other types
10 of rules and regs is people assume -- they presume
11 and assume that TVA will have clean water, that it's
12 fairly clean now. There's a lot of regs and rules to
13 do it. So they don't go out there and say, this is
14 what you need to be doing because there's a basic
15 assumption that's there.

16 That's where I think you have to --
17 you run into trouble with public comments in taking
18 those and learning how to extrapolate and use them,
19 and I think what you're saying is right, that we
20 can't look at those and say, well, this is a
21 priority. This is just the people who chose to say
22 what they thought. Generally if there is something
23 that's well resonated or presumed to be that way
24 people assume it, and I think that became a problem
25 in this.

1 DFO ANDA RAY: Any of you -- I mean,
2 Renee, Paul, Tom that work in the water area, I think
3 there is a misconception about how much authority TVA
4 has on water quality. We have no enforcement
5 authority. We have no statutory responsibility, and
6 yet, because we control the flow of the river I think
7 there's a belief that, therefore, we must be in
8 charge of the quality of the water.

9 I would really like to hear from Tom
10 and Renee and Paul, and anyone else who works in
11 the -- Mark, you work in the water issues as well. I
12 mean, I know it's a different perspective, but do
13 you -- any of you -- I'm sorry, any of you have any
14 other comments? You also have Ron's -- Ron's thing
15 is up.

16 CHAIR MR. TOM LITTLEPAGE: Well, go
17 ahead, Ron.

18 MR. RON FUGATT: I just want to make a
19 couple of comments about the economics. There was
20 three things that I wrote down yesterday before we
21 had to rush out here that I wanted to cover.

22 One, in looking at going forward as
23 far as programs are concerned, one of the things that
24 occurred to me is how much of this is recurring costs
25 and how much of it is one-time that might be

1 identified?

2 The other is, I don't know what the
3 numbers were before we put the emphasis on
4 partnerships, but did partnerships have any impact on
5 the economics and on the costs?

6 And then the third item that it
7 would -- I think as far as looking at the economic
8 benefit that would be interesting, at least be
9 interesting to me, and it goes to what Mitch was
10 saying, one of the economic benefits of what we're
11 doing now and what would they be if we do these other
12 levels? In other words, that -- what -- how do they
13 change? I think that's what you're saying. I wanted
14 to say it in that way because I think that's the way
15 we should go forward with that.

16 CHAIR MR. TOM LITTLEPAGE: Yeah, I was
17 wrestling with this as well. I guess to what
18 degree -- I was trying to think, could you in the
19 document put some kind of -- a section of threats and
20 limitations or something that would illustrate that
21 some of these key performance measures are completely
22 beyond the bounds of TVA or TVA's dependent upon the
23 collaborative efforts of state and local entities to
24 help make some of these holistic watershed health
25 numbers improve.

1 So the ideas of how you manage or
2 treat water -- manage the resources or treat water is
3 conveyed in a way that people understand what you
4 just said, Anda, that in many cases these are beyond
5 the bounds of TVA to either do anything about or
6 would be completely reactive or have any enforcement
7 authority to help control. That was one of the
8 thoughts I had.

9 MR. PAUL SLOAN: Gosh, I've got
10 several things. One, Anda, I think -- I mean,
11 obviously you're exactly right, and I think I tried
12 to say that yesterday is that you -- TVA is not
13 responsible for all the waters in -- from a
14 regulatory point of view.

15 It does seem to me though that -- but
16 TVA -- if this is driven -- if the plan is driven by
17 two -- two of -- two drivers, one is the custodial
18 compliance, so the compliance criteria, but the other
19 was -- as I understand it, was consistency with TVA's
20 environmental policy.

21 And as I recall -- and I wanted to go
22 back and read that policy, but as I recall the policy
23 has a far more -- a further aspirational reach than
24 mere compliance. So I'm not quite sure, you know, if
25 -- so that sets up a bit of a confusion, I think,

1 because --

2 DFO ANDA RAY: Oh, I see.

3 MR. PAUL SLOAN: -- if it's driven --
4 it's driven then -- if it's those two things, then,
5 in fact, it's driven by the most -- by the -- by the
6 highest criteria of those two and so -- and there's a
7 big gap.

8 In fact, I would say aspirationally
9 the policy would go to the third alternative, not
10 the -- not the -- not the first, which raises in my
11 mind why we do -- present three alternatives frankly.
12 I -- to me I would be much more comfortable with a
13 plan that says, this is what we want to do.

14 Now, that doesn't mean that there
15 might not be economic drivers that cause you to be
16 able to do less and it doesn't mean that you can't
17 embed in the plan flexibility to different economic
18 conditions of the company or TVA.

19 For example, on water quality it
20 struck me that in rates you -- you don't want to
21 raise rates, or if you do, that's a very -- you know,
22 that -- that's a high cost, and the benefits need to
23 be commensurate with that.

24 If in the alternative you said, we
25 have a fund that we fund every year in terms of water

1 alone with X million dollars that go into this fund
2 and every year we have the money we'll do it and set
3 that bar and so that money goes in there, but in the
4 year you don't you don't put it in there.
5 Nevertheless, you're accumulating and building a fund
6 to address water quality in the Valley.

7 It's those types of flexible --
8 flexible sort of approaches that would allow you to
9 aspire to the best but, you know, it -- but adjust to
10 economics.

11 Now, with respect to the overall plan
12 for managing the natural resources, it seems to me
13 that the real driver is the health of those
14 resources, and are we gaining ground, losing ground
15 or where are we relative to the health of the
16 resources, which means you have to define what health
17 means from the cultural, you know, which, Russell, I
18 would just give him a pad or just record you know,
19 that's it.

20 MR. RUSSELL TOWNSEND: I'll fill it
21 up.

22 DFO ANDA RAY: No pen, but you can
23 have a pad.

24 MR. PAUL SLOAN: With respect to
25 recreation, I think, you know, recreation is a real

1 economic outreach, education, ecological literacy
2 driver, there's so many, and it's the expectation.

3 It's probably in the core mission of
4 TVA with respect to the communities and community
5 development. So it's core. It is a core service
6 that the Valley gives towards the liveability of the
7 Valley. So that -- and tie it in with the economics,
8 it's a slam dunk in my view.

9 With respect to the balance of the
10 forest, all the streams and rivers within the Valley,
11 it seems to me that our priority is knowing what you
12 have. So the data, the information, and the quality
13 of that information is non-negotiable, I mean, in
14 terms of an informed policy.

15 Secondly, to define what health is and
16 say that we have to do everything that we can
17 within -- within our economic -- you know,
18 responsible management of our finances to meet that,
19 and in order to do that just in terms of streams it
20 seems -- and one, up front you're not responsible
21 legally for these things. So I think that really
22 requires an emphasis on the collaboration and
23 partnerships.

24 And in addition, not only are you not
25 legally responsible, you don't have the competency to

1 do it. There's no single agency that has the
2 competency. The Corps doesn't have it. We don't
3 have the competency. Together we all -- together we
4 have the resources and expertise uniquely in
5 Tennessee to really do something on -- that is a
6 national model.

7 And I will stop rambling with this,
8 but if you take the waters you own, I mean, or the
9 waters -- but it's for the benefit for all of us, but
10 take the waters that are within your fee simple
11 jurisdiction and say that's probably a priority, but
12 those waters are coming in from outside of your
13 ownership. So they are either coming in to you
14 polluted or not polluted.

15 So, you know, you reach out beyond
16 that, but you develop a Valley-wide strategy for
17 clean water basically and you finance that and you
18 fund that, and you fund it with a flexible fund and
19 you establish those partnerships and you drive that.

20 So that's -- and then for the balance,
21 you know, invasives, you know, I don't think that's a
22 -- that may not be an option. If the quality and
23 biodiversity of your terrestrial environments are
24 diminishing year-by-year because of some threat,
25 either, you know, land -- either erosion or

1 invasives, then in terms of the Natural Resource Plan
2 it's a priority not to backslide on that.

3 I didn't quite understand the 75
4 million. I really agree with Bill, I mean, I think
5 that's a really good point. You're not -- I mean, I
6 was trying to say 1/2 of 1 percent, but it's -- it
7 is -- there's a different -- there's a different
8 number that you're using, and I understand that and
9 you have to deal with that.

10 The 75 million, you had 25 million
11 roughly that went to a particular project and so that
12 goes away and then you ended up with 50, but I didn't
13 understand how that happened. I know that's the kind
14 of analysis you're going to need to -- I agree with
15 you, economics has got to be a big piece.

16 MR. RANDY MCADAMS: Any other comments
17 or thoughts?

18 Great points. Again, they could serve
19 as the foundation for some advice coming from this
20 group today.

21 Just real quickly, what we're going to
22 do today, we have got two more slides, and then I
23 think that will conclude all the slides you're going
24 to see today. Today's discussion, again, focuses
25 around advice from this group to TVA around four

1 questions, three of which are in your notebook and
2 one we're going to describe in just a moment.

3 Just to remind everybody, the Charter
4 of the RRSC, this chapter-and-verse quote from the
5 RRSC Charter, "Is to provide advice and TVA retains
6 sole responsibility for the management and operation
7 of its stewardship activities and for all decisions
8 regarding matters under consideration by the
9 Council."

10 So just the key word to remind you
11 there is advice, that's what TVA is looking for from
12 this body is advice today.

13 We talked a lot about how can
14 individuals and this body collectively provide
15 advice, fundamentally there are two ways. Formal
16 advice will be agreed upon and ratified by this
17 Council today.

18 As you recall in our last meeting in
19 January, we agreed on the 11 guiding principles. We
20 spent some time editing them real-time and agreeing
21 and banging the gavel down, and that was the ratified
22 advice from this Council. So that's what we're going
23 to try to do today.

24 Then secondly, all of you as
25 individuals have the opportunity to provide advice.

1 Some of those are your comments that you're making in
2 this room. You're welcome to make comments during
3 the public comment period. You can make comments as
4 an individual or this body, again, is chartered with
5 giving advice as a body to TVA, just to remind
6 you-all of all of that.

7 So with that, what we want to kind of
8 focus the day on is providing advice on, again, four
9 questions, three of which you see behind me that are
10 in your notebook.

11 Consider that you are a reporter
12 charged with writing a story on the draft Natural
13 Resource Plan, what challenges or difficulties
14 exists?

15 Considering you're a reporter charged
16 with writing a story, what are the benefits and
17 values you would point out?

18 Then thirdly, what are the high
19 priority programs, if any, that should be added or
20 removed?

21 Again, I -- when we get to these I
22 think Anda is going to kind of actually kick us off
23 with the first question that's not on here. We'd
24 just suggest that, again, if the answers could come
25 back in the form of advice to TVA, that's the Charter

1 of this body. So that's probably what we will need
2 to think about as a group.

3 So with that, this concludes the
4 slide-ware portion of the day.

5 Anda -- I'm sorry. Ron.

6 MR. RON FUGATT: Could we put that
7 list of things up there again because I think that
8 answers most of these questions from yesterday?

9 MR. RANDY MCADAMS: Yeah. It's
10 actually behind one of the tabs in this book.

11 MR. RON FUGATT: No. You just made it
12 last night.

13 MR. RANDY MCADAMS: Oh, I'm sorry.
14 I'm sorry.

15 DFO ANDA RAY: He thinks that
16 addresses some of the questions. So what we would
17 do -- actually, is there any way to get a printout of
18 those so that people can -- or no, I guess we can go
19 through them when we go through the input. When you
20 go through the input, they can agree on the exact
21 words and we can use that.

22 Is that what you're talking about?

23 MR. RON FUGATT: I'm thinking that a
24 lot of these questions are answered in that from what
25 you put together from yesterday.

1 MR. RANDY MCADAMS: And maybe we can
2 figure out a way to get a printout of this in the
3 next 30 minutes.

4 DFO ANDA RAY: Can you E-mail that to
5 Carla, by any chance?

6 UNIDENTIFIED SPEAKER: I'm not
7 connected to the internet.

8 MR. RON FUGATT: You had another list,
9 too.

10 DFO ANDA RAY: It was combined.

11 MR. RON FUGATT: This is a combination
12 of it. I'm fine. Okay. I just think that answers a
13 lot of the questions.

14 DFO ANDA RAY: And then we can work
15 and get the consensus on that, would that work for
16 you?

17 MR. RANDY MCADAMS: So kind of what we
18 thought we would do is -- again, we have got four
19 questions here, spend, you know, 15 to 20 minutes on
20 each, and then we will be taking some notes with
21 Carla's help. Then, you know, like we did in
22 Chattanooga, at maybe, you know, 10:30 or 10:00 or
23 whatever the appropriate time is take a break and
24 come back and we will have maybe a start of a draft
25 with some bullets and say here's the ten points or 20

1 points or 30 points or something. So that's what we
2 thought. That's kind of the approach we thought we
3 could take on it.

4 So with that, Anda, do you want to
5 kick us off with the first question?

6 DFO ANDA RAY: First -- the first
7 question I would like us to have some kind of
8 consensus answer, and that doesn't mean a definitive
9 answer but it's to pick up on yesterday's, you know,
10 what's the appropriate level of funding?

11 And you may not be able to answer that
12 question with a dollar figure, but I think we have
13 had enough discussion that you will be able to answer
14 things objectively.

15 What I would like to do is give you
16 some numbers so that you at least have the context of
17 what the public sees for TVA. So let me just start
18 off with the big one, and we will start off with the
19 \$12 billion of revenue.

20 Okay. And then you look at -- after
21 you pay down the fuel costs, after you pay your
22 operating costs, et cetera, you're looking somewhere
23 in the 2 to \$3 billion operating costs, and that's
24 what Ron was referring to. That's the cost that's
25 got to go up because everything else is obligated and

1 it's off the table out of that 12 billion revenue.
2 It's costs that we don't have a whole lot of choice
3 on.

4 MR. MITCH JONES: Is that cost fixed
5 or is it --

6 DFO ANDA RAY: Those are variable
7 costs.

8 MR. MITCH JONES: Variable costs?

9 DFO ANDA RAY: Uh-huh. All right.

10 Now, let me come back and just back up a little bit.
11 TVA is obviously looking at its long-term financial
12 plan, and we have a congressionally mandated debt cap
13 from 1979 of \$30 billion.

14 TVA is around 27 billion, 20 -- I'm
15 sorry, around 26 billion. We're not going to get any
16 closer than 28 billion. You have to have a margin
17 for things that happened last night, for capital
18 margin. So we're sitting there -- we're almost at
19 the debt cap. We have got to -- and that's in 20 --
20 by the 2013-2014 time frame.

21 We got to have finances to fund
22 replacement capacity for retired plants or plants
23 that are not economical to continue to run, and that
24 includes EE&DR, nuclear, and now the transmission
25 line repair. With those costs alone, we will exceed

1 our debt cap. So the only other source of revenue
2 for TVA is rates.

3 TVA is working very hard to come up
4 with -- and working with Washington and OMB on how to
5 identify what really gets counted against that debt
6 cap so that we can minimize the impact on rates.
7 TVA's goal for rates in 2014 is to be in the top
8 decile.

9 If we're going to be in the top decile
10 compared to the southeast -- and remember, that means
11 it's a moving target because we don't know what
12 everybody else is going to do, but if we were to do
13 that, we have got to cut a billion dollars out of
14 variable costs and that we have now -- we're working
15 with panels to identify where a billion dollars of
16 reduction in variable costs has got to come from.

17 All right. So that's the big hairy
18 monster that's facing us when we go in to say, TVA,
19 you haven't been spending enough on natural
20 resources, we want you to spend three times more or
21 four times more than you have in the past, that's --
22 that's what we're going to face when we go back and
23 say, gee, the Regional Resource Stewardship Council
24 thinks we ought to be flagship.

25 So I wanted you to just -- so that's

1 why, Mitch, you hit the nail on the head and it was
2 very clear yesterday that we have got to start
3 talking in terms of economics and what's the economic
4 impact to the Valley, maybe not to TVA's bottom line,
5 but we have an economic development mission in our
6 Act as well. So we should bring that up.

7 All right. So then let's go back to
8 the \$78 million or 75 to \$78 million of appropriated
9 funds that became our kind of guiding you can't spend
10 any less than that. The \$50 million that's left over
11 once Land Between the Lakes was transferred to the
12 Forest Service, about 40 million of that is part of
13 the Act where it says, TVA, you are responsible for
14 flood control and river navigation and about
15 40 million of that is how -- is how we supplement the
16 river operations, the things that Chuck was talking
17 about yesterday.

18 Other companies who just suck water
19 out of the river don't have the mandate for flood
20 control and navigation. They just respond. We do.
21 So 40 million of that is to make sure that the
22 infrastructure to support that river navigation and
23 flood control is in place.

24 We can -- it's not our business right
25 now today to argue that. Of course, that stewardship

1 is within the purview of this group, and that's why
2 you had the River Operations Study discussed with
3 you, you had the drought management, you had the
4 water reservoir and water levels. So it is within
5 the purview, but I don't have that breakdown of the
6 40 million.

7 So 10 to 11 million of that was in
8 Bruce's shop, 7 million of that is dedicated to the
9 natural resources, and that's the number we're
10 working with, that you're looking at 7 to \$10 million
11 today, 20 to 25, it's in the book on 11, I don't
12 remember all the numbers, but 20 -- you're talking
13 the very next incremental step is 20 and the next
14 incremental step after that is 40 to 50. So that's,
15 you know, a 7 to 8 times increase. All right. So
16 those are the numbers.

17 When you look at an average -- you
18 know, when you look at a 1 percent increase in TVA's
19 rates, Bruce mentioned yesterday that's in the 100,
20 150 range, depending on how you calculate that.

21 Well, we may not think much about it,
22 and the average electric bill in Tennessee Valley is
23 \$180 to \$200. I would bet that every one of you in
24 here has a higher electric bill than that. So that
25 tells you that there's a whole lot of people living

1 on a whole lot less money.

2 So when you talk about a 1 percent
3 increase you're talking about \$2, \$3 a month. It
4 doesn't sound a lot to some of us. It's a lot to
5 some other people.

6 So now it's actually outside of that
7 decimal place. So sometimes we lose track when we
8 start saying, you know, 2 hundredths of a percent,
9 it's -- that's not -- or 2 hundredths of a cent,
10 that's not how people see it.

11 So I just wanted you to have a
12 perspective that you're talking 1 to \$2 on the
13 average bill. If your bill is 4 times that much,
14 you're talking, you know, 8 to \$10, okay, on the bill
15 for a 1 percent increase. All right. So that's kind
16 of the perspective.

17 I did want to let you know that
18 yesterday you made it to the papers. Actually, it's
19 called The Metro Pulse. Ricky Hall has written an
20 article that says, "TVA shouldn't cut corners on the
21 Natural Resource Plan." It says, "You may not
22 realize" -- and I'm only going to read -- it's three
23 pages.

24 "You may not realize that trails and
25 campgrounds are on TVA lands because they're

1 rudimentary and poorly publicized, but under the
2 flagship management that would change. Under
3 flagship management cultural resources receive more
4 attention and TVA would increase interactions with
5 both Native tribes and families whose land was taken
6 when TVA was established.

7 Resentment is strong among these
8 groups and TVA owes it to everyone whose ancestral
9 land is under water or has been auctioned off to do
10 all they can to preserve and commemorate those
11 sacrifices.

12 For decades TVA cut corners at its
13 plants, including the Kingston Fossil Plant," it goes
14 on to describe, "We should tell TVA not to cut
15 corners on its Natural Resource Plan. The difference
16 between TVA's preferred environmental commitment and
17 a new commitment is about \$30 million.

18 If they upped electric rates to cover
19 that expense," this is not right, "a kilowatt hour
20 would cost 2 one hundredths of a cent more and a \$100
21 utility bill would become \$100.02. Last year TVA
22 spent 2." -- well, that doesn't matter, "But the cost
23 of the top-of-the-line natural resource management is
24 an inconceivable blip on TVA's revenues. Please go
25 to the TVA NRP web site and tell TVA we deserve

1 flagship natural resource management."

2 So those are kind of the words that
3 are out there in the public right now. So with that,
4 if we could have more of a discussion where we can
5 type up -- who's typing? You're typing, Carla,
6 right? Thanks. Welcome, Carla.

7 If we could kind of type up some words
8 that you would like to say to -- if the Board of
9 Directors was sitting here and going, we don't have
10 money, we're going to have to raise rates no matter
11 what, by the way, that's going to happen. It's a
12 done deal. It's going to have to happen. We're
13 hoping to reduce the debt. We're looking for a
14 billion dollars in cutting expenses, and you guys
15 want me to raise by a factor of at least three for a
16 piece of TVA that doesn't produce revenue income.

17 Guys, I get -- I get it that it's part
18 of TVA's mandate, but we still need to talk in terms
19 of business, like Mitch was doing. So can you
20 give each other -- and I am going to sit down and let
21 somebody else facilitate, but what is the level of
22 funding for natural resource management? You may not
23 have a number, but can we come up with words that you
24 would say if the Board was standing here and asked
25 you that, since you report to them with advice.

1 MR. PAUL SLOAN: Can I ask you
2 something on your numbers?

3 DFO ANDA RAY: Uh-huh.

4 MR. PAUL SLOAN: This -- at the last
5 Board meeting, and you may need to refresh us on
6 those numbers, but given all the influences on the
7 cost of generation and so forth, TVA has -- is in a
8 position now pleasingly, unexpectedly to some degree,
9 of having over -- as I recall, over \$180 million, is
10 that the number? What's the number of positive cash
11 flow year-to-date that TVA has had? It was over
12 \$100 million.

13 DFO ANDA RAY: Yeah. I mean, the idea
14 is we're not positive. So it has to be zero. It
15 ends up being zero at the end of year, but to date we
16 may have \$180 million.

17 MR. RON FUGATT: I don't think it ends
18 up being zero, I hope it doesn't, because you're
19 using some of that net income to pay for capital
20 expenditures.

21 DFO ANDA RAY: I'm sorry. And that --
22 on the income statement what it shows is zero because
23 you reinvest it, but you're exactly right.

24 MR. RON FUGATT: There's a
25 not-for-profit organization, a not -- a profit -- an

1 organization that doesn't make a profit goes out of
2 business.

3 DFO ANDA RAY: Right. And you're
4 exactly right, on the books it shows up as zero
5 because we've taken the excess and reinvested it.

6 MR. PAUL SLOAN: It's a net revenue --
7 positive net revenue of about \$180 million. My --
8 and my -- the reason I mention that is the real
9 drivers of that, which you are very familiar with and
10 which I'm left with the impression of, were things
11 like river driven generation and just circumstances
12 really beyond -- you know, beyond your control in
13 many instances, whether the river is capable of
14 generating enough or the whole mix.

15 That to me -- the real driver of
16 rates -- am I wrong, the real driver of rates is not
17 this plan or any -- so much as it is conditions and
18 how you respond to those conditions that can cause
19 tremendous swings in the -- in weather are not --
20 cost of fuel and --

21 DFO ANDA RAY: I know what you're
22 saying, but we do forecast to reduce that risk and we
23 have hedges. So it's hard for me to say there's one
24 entity that is the primary driver, but fuel is a
25 driver. Water as a fuel is a driver, I mean, it's a

1 significant driver because it's a volatile market,
2 but we do hedge to reduce the risk to our consumers.

3 MR. PAUL SLOAN: Right. And that -- I
4 mean, to me -- that underscores for me the need to be
5 flexible on this but not to lose the upside
6 flexibility. In other words, if you find yourself in
7 a situation where you have \$180 million, then tie it
8 to resources.

9 DFO ANDA RAY: Okay.

10 MR. PAUL SLOAN: And that doesn't
11 impact rates. I would suspect with the prosperity --
12 if you have prosperity, then natural resources would
13 have its -- would be the beneficiary of that
14 prosperity.

15 DFO ANDA RAY: So, I think, Liz, you
16 need to come up and facilitate, and the very first
17 statement you would put under that is TVA needs to
18 tie or appropriate out of its positive income at the
19 end of the year and then you-all need to respond to
20 that. That would be one of the bullets under -- I am
21 sitting down. You need to go facilitate.

22 CHAIR DEBORAH WOOLLEY: This is Liz
23 Upchurch. She is going to be facilitating today.
24 Somebody told me that Wilson got hit by lightning
25 last night turning to you.

1 MR. MITCH JONES: We have to make an
2 argument to the Board of Directors that they need to
3 spend X on the National (sic) Resource Plan because
4 it's important -- and all these other reasons when
5 you don't have any money?

6 FACILITATOR LIZ UPCHURCH: Right.

7 MR. MITCH JONES: You have got 27
8 billion in debt. You have got a positive cash flow
9 that you're putting back to cap X this is coming down
10 the balance sheet or coming down the P&L, popping off
11 the P&L and going over here to the balance sheet for
12 cap backs, capital improvements, debt reduction, a
13 reserve for -- you know, you shut a plant down last
14 night, how much does it cost to start that damn thing
15 back up?

16 So I've got to tell the Board, here's
17 how much money I've got put aside for this plan and
18 you don't have it?

19 FACILITATOR LIZ UPCHURCH: And --
20 well, I think -- yeah, maybe so. I think it's also
21 do we agree with this statement that we have? Are we
22 tying our appropriations to income for the year, do
23 we agree with that?

24 MR. MITCH JONES: Don't say the word
25 income because it's not. It's a positive cash flow.

1 FACILITATOR LIZ UPCHURCH: Okay. So
2 maybe change it to positive cash flow. So the word
3 income is positive cash flow. It looks like --

4 MR. MITCH JONES: And we may have to
5 make an argument to set aside. Right now it's 7 to
6 10 million approximately and to get it to the
7 greatest level is 50 million.

8 MR. PAUL SLOAN: No. You would be
9 doing it incremental. You're already doing 7 --

10 MR. MITCH JONES: Don't do the --

11 MR. PAUL SLOAN: You can't do the --

12 CHAIR DEBORAH WOOLLEY: Hey, group,
13 the cards goes up and you will be called on because
14 we're dealing with a court reporter that does need to
15 get everything down.

16 FACILITATOR LIZ UPCHURCH: So let's
17 finish up your comment, Mitch. It sounds like you
18 were saying, let's increase up to the 50 million
19 level, just in a summary?

20 MR. MITCH JONES: No. I need to be
21 able to work an argument that this is different -- my
22 head says, I have got to convince 9 or 10 folks to
23 spend X and why would they do it.

24 FACILITATOR LIZ UPCHURCH: Okay. And
25 let's hold your thought and let's hear from some of

1 the other folks.

2 MR. MITCH JONES: Sure.

3 FACILITATOR LIZ UPCHURCH: Russ, I see
4 your sign up.

5 MR. RUSSELL TOWNSEND: Yeah. I'm not
6 very good at talking about money. I don't balance a
7 checkbook, I don't pay my taxes, my wife does those
8 things. So I am not sure I can help you with the
9 dollar figure.

10 I have heard so many terms in
11 economics that I don't know what to do, but I do know
12 what I would argue to the TVA Board if they said, why
13 do we have to raise rates to do these things that
14 don't pay any money?

15 And I was raised in a tribal
16 community, and this may sound stupid or old fashion
17 or something, but I would say there is honor in
18 service and that is an important thing. Congress
19 looked to TVA and said, TVA, you have a
20 responsibility to be a steward of these resources.

21 DFO ANDA RAY: Kind of write that
22 down.

23 FACILITATOR LIZ UPCHURCH: Carla, can
24 you capture some of this? Honor and services and
25 responsibility.

1 MR. RUSSELL TOWNSEND: This is honor
2 in service. Congress has said TVA has a
3 responsibility or Congress has assigned TVA the
4 responsibility to serve as a steward to these
5 resources.

6 And to me, you know, honor is a
7 responsibility. It's a liability. You know, to act
8 as a steward is something that doesn't come free.
9 It's difficult. It's a hard thing to do. Y'all know
10 the bloody nose y'all took with the ash spill and
11 everything.

12 But I think what I would tell the
13 Board is if they serve as the best steward that they
14 can to these resources on behalf of the American
15 people it gains them honor, and what honor equates to
16 in the business community is a good business name.
17 You know, people would have faith, and that is worth
18 something to TVA to have people speak highly of TVA.

19 And so once again, I would focus my
20 efforts, first and foremost, on those things that the
21 United States Government has entrusted to TVA and
22 make sure that I did those things as good as I
23 possibly could, and I would not cut costs. I would
24 not scrimp. I would not shirk on that responsibility
25 because to do so would detract from your good name.

1 So I think that's what I would
2 recommend to the Board is that they remember that
3 they have a duty to perform, and if they do it right
4 it will gain them honor.

5 FACILITATOR LIZ UPCHURCH: Thank you.
6 Renee.

7 MRS. RENEE HOYOS: Yeah. I hate
8 following Russell.

9 I had just a question about the money
10 though. So this -- the flagship program is 55
11 million, but that's over 20 years, right?

12 DFO ANDA RAY: It's an annual number.

13 MRS. RENEE HOYOS: Oh, it's annual.

14 MR. BRUCE SCHOFIELD: It will grow to
15 that. It doesn't start there.

16 MRS. RENEE HOYOS: It doesn't start
17 there, it grows to that?

18 MR. BRUCE SCHOFIELD: Yes. And then
19 it's an annual expenditure.

20 MRS. RENEE HOYOS: Of 55 million?

21 MR. BRUCE SCHOFIELD: Yes.

22 MRS. RENEE HOYOS: Got it. Okay.

23 Thanks.

24 FACILITATOR LIZ UPCHURCH: Deb.

25 CHAIR DEBORAH WOOLLEY: I'm just kind

1 of sitting here thinking, starting with what Mitch
2 said, if you were making this argument to the Board,
3 you know, what would you be arguing, and then I
4 listen to what Russell said about what your
5 responsibility is, and then I think of all those
6 businesses I have sat in there doing the financial
7 plans, whether it's a big company or whether it's a
8 little not-for-profit like I run, and this kind of
9 gets back to the chicken-and-egg question we raised
10 earlier, there is honor in doing it, but there also
11 is value.

12 And I know I look in businesses, and I
13 have always worked in marketing or government
14 relations, those things that spend a lot money but
15 don't bring money in, but we quantify them. And then
16 when I go for budgets, when I go to show value for
17 what I'm doing, I quantify it.

18 I mean, you talk about honor, but
19 honor is a reputation. We talked about being at risk
20 if you don't do something, what is the risk to your
21 reputation, to your business plan or to remediation
22 that you have to come back and do it?

23 So to me it -- and I mean, it's kind
24 of going in a circle, but if we quantify the value of
25 stewardship, whether it's a partnership to have clean

1 waters and that has effects from everything from
2 revocation to, quite frankly, a manufacturing plant
3 being able to get a permit because the waters can
4 bear it, then I think you can start coming back with
5 a return on that investment from what you do and when
6 you sit and talk to a board you can make a case to
7 not necessarily lock yourself into a number year
8 after year but to grow that number because we should
9 be growing the value of the investment we're doing.

10 So I don't know how you really get to
11 doing that, except somehow to me we ought to be
12 having -- we ought to have some kind of number that
13 shows the value of the stewardship activities, then
14 some kind of request to the Board that maintains and
15 enhances that slightly, and then show them that if we
16 do that there's a return investment, you know, two or
17 three years later that will be even higher.

18 I mean, I don't know how to get to a
19 number but I think we can get to an expectation, but
20 it all comes from creating value for the honor, for
21 the actual recreation, for what we do. That's how I
22 would approach it inside the closed doors when I was
23 doing a financial plan begging for my budget.

24 FACILITATOR LIZ UPCHURCH: So, Deb, we
25 have quantify the value of stewardship up here, and

1 would you also say --

2 CHAIR DEBORAH WOOLLEY: I think you
3 quantify the value of stewardship and then your --
4 then your request for the budget back from it is
5 to -- you know, is based on that and enhancing it and
6 then the anticipated --

7 FACILITATOR LIZ UPCHURCH: Additional
8 --

9 CHAIR DEBORAH WOOLLEY: -- ROI that if
10 you do this, that value of stewardship goes up even
11 more.

12 FACILITATOR LIZ UPCHURCH: So
13 additional -- so also quantify the additional return
14 on investment that we anticipate with this investment
15 and stewardship money?

16 CHAIR DEBORAH WOOLLEY: And then, I
17 mean, if you're doing a good job of stewardship, then
18 that return on investment should go up, which means
19 your request for budget should go up, and that in a
20 way becomes what guides a little bit of what you do,
21 but you have got to weigh in risks and all of that.

22 FACILITATOR LIZ UPCHURCH: Okay. So
23 do -- can we add quantify also return on investment
24 to that last bullet? Does that kind of capture what
25 you were -- in a succinct point?

1 CHAIR DEBORAH WOOLLEY: Yeah. Yeah.
2 You — yeah, you quantify the stewardship things.
3 You request your revenues. You quantify the return
4 on investment you're going to get from investing
5 those revenues.

6 FACILITATOR LIZ UPCHURCH: Right.

7 CHAIR DEBORAH WOOLLEY: And then, I
8 mean, if they are both not trending up, then I think
9 any person is — any business person is going to look
10 at it and say, wait, if we're not making ground, then
11 let's look at how we're doing it.

12 FACILITATOR LIZ UPCHURCH: Retool.
13 Okay. So also revisit.

14 CHAIR DEBORAH WOOLLEY: In no way does
15 that take away honor or doing any of that, that
16 should be a part of it because you can quantify it.

17 FACILITATOR LIZ UPCHURCH: Okay.
18 Thank you. Does that capture your whole point, that
19 last bullet?

20 CHAIR DEBORAH WOOLLEY: I think.

21 FACILITATOR LIZ UPCHURCH: Okay. I
22 think Renee was the next person with your sign up.

23 MRS. RENEE HOYOS: Yeah. Maybe
24 another way to put it to the Board to add to all of
25 these comments is that by virtue of owning so much

1 property and having so much shoreline and managing
2 water supply for several states, you have -- you're a
3 de facto resource agency and you have a
4 responsibility to manage those resources in a way
5 that's good for the environment, as well as for the
6 economy.

7 So -- and I come from California where
8 we have a resources agency and a county PA, so those
9 things are very separate, and in this state TVA
10 almost takes that resources role here because you own
11 so much property. So I just think it's incumbent
12 that you have to do the best you can to manage these
13 at the highest level you can afford. And I think we
14 should have the flagship option, frankly.

15 FACILITATOR LIZ UPCHURCH: So if --

16 CHAIR DEBORAH WOOLLEY: So if I pick
17 up on kind of what you're saying, the flagship option
18 may be a high expense item or it may be a heavy
19 investment into the partnerships that gets you a
20 better return on doing it.

21 MRS. RENEE HOYOS: Yes.

22 CHAIR DEBORAH WOOLLEY: Is that
23 what -- I mean, I like that.

24 MRS. RENEE HOYOS: Well, I think
25 also -- I mean, I think there are ways if we take

1 another -- I don't think maybe -- I would just --
2 from here I think sort of the staff got attached to
3 the blended option. I don't know how much
4 investigation into the flagship option did you do
5 looking at partnerships to possibly offset that cost.

6 And you know, within the flagship
7 there is a range. Wasn't it 40 to 55 million? You
8 know, so what would sort of the low-end flagship look
9 like? I mean, what could we -- what could we be
10 getting? What could we be offsetting?

11 You know, I think there are other ways
12 to sort of have this -- this flagship without going,
13 oh my, God, \$55 million a year, do you know what
14 that's going to mean to your rates? I mean, I think
15 there's ways to smooth that out.

16 CHAIR DEBORAH WOOLLEY: And I'm
17 agreeing with Renee, and I think in adding to that,
18 if your perform a partnership, whether it's with TDEC
19 or one of the regulatory agencies or whether it's
20 with agencies like Renee's, there's a whole lot more
21 you can take credit for.

22 MRS. RENEE HOYOS: Right.

23 CHAIR DEBORAH WOOLLEY: And then that
24 starts raising the value of that stewardship dollar
25 because you're getting it through there and -- and

1 then because that's raised your nest more.

2 FACILITATOR LIZ UPCHURCH: So would
3 you all say this last bullet, manage at the highest
4 level you can afford and possibly through
5 partnerships or with partners or --

6 CHAIR DEBORAH WOOLLEY: Or leverage.

7 FACILITATOR LIZ UPCHURCH: Leveraging
8 partnerships, does that capture, Renee, what you were
9 saying and what you --

10 MRS. RENEE HOYOS: Well, I guess why I
11 was also bringing up the point is that this agency is
12 a de facto resources agency. It owns too much land
13 and it manages too much water to just be able to say,
14 we can't afford to take care of it.

15 FACILITATOR LIZ UPCHURCH: Okay. So
16 it is incumbent upon --

17 MRS. RENEE HOYOS: Yeah.

18 FACILITATOR LIZ UPCHURCH: -- TVA due
19 to the land and shoreline that they own to behave as
20 a resource agency?

21 MRS. RENEE HOYOS: That's right.

22 FACILITATOR LIZ UPCHURCH: Okay. And
23 I think -- I know Anda's got her sign up.

24 DFO ANDA RAY: Did you get de capto,
25 de capto. I need more coffee.

1 MRS. RENEE HOYOS: De facto.

2 FACILITATOR LIZ UPCHURCH: De facto
3 resources agency.

4 DFO ANDA RAY: Yes, de facto resource
5 agency.

6 FACILITATOR LIZ UPCHURCH: And I know,
7 Mitch, you have got your sign up, too. So I think
8 you were next in line.

9 MR. MITCH JONES: I would not want to
10 be before Ms. Ray is she was up at the same time.
11 She needs coffee.

12 Okay. So Deborah nailed the head --
13 just pinned it to the floor, if you stop doing these
14 things for a year how would it impact your revenue
15 and your profitability?

16 FACILITATOR LIZ UPCHURCH: Good
17 question.

18 MR. MITCH JONES: You don't have an
19 answer, do you? Nobody can take an economic approach
20 to it at this -- they could, but they haven't. If I
21 just stopped, what would it -- how would it impact my
22 bottom line?

23 On the other side of that coin, what
24 if I took the enhanced program and how would that
25 impact my bottom line without -- I may not have to

1 raise --

2 FACILITATOR LIZ UPCHURCH: So maybe --

3 MR. MITCH JONES: -- rates as much as
4 before.

5 FACILITATOR LIZ UPCHURCH: -- look at
6 those two options --

7 MR. MITCH JONES: Absolutely look --

8 FACILITATOR LIZ UPCHURCH: -- as
9 potentially advice for us?

10 MR. MITCH JONES: -- at the math. The
11 third piece to it is Mr. Schofield over here, at the
12 direction of Ms. Ray, at the direction of Ms. Green,
13 has implemented a new policy for commercial
14 campgrounds and marinas.

15 And Bruce, how much revenue are you
16 going to generate over the next three years from that
17 policy?

18 MR. BRUCE SCHOFIELD: \$4 million a
19 year.

20 MR. MITCH JONES: Well, by golly
21 there's 10 percent of your 40 million.

22 FACILITATOR LIZ UPCHURCH: Okay. So
23 look at the -- not doing any of this work and
24 impacts, looking at doing the flagship and impacts,
25 and then look at that \$4 million.

1 MR. MITCH JONES: Well, it's not
2 purely -- I mean, you have got costs associated with
3 implementing, but you get my point.

4 MR. BRUCE SCHOFIELD: That's revenue.
5 That's not net.

6 MR. MITCH JONES: So right there the
7 TVA policy has changed its commercial management of
8 marinas and campgrounds. They are now increasing by,
9 in some cases, 1,500 percent in their fees.

10 Now, I'm not a complainer about it
11 because I am not subject to it because I own all the
12 real estate, but if I did have a commercial marina
13 and I was on a fee program with the TVA and they came
14 in and my rent used to be 10,000 a year and now it's
15 150,000 a year, a portion of what Bruce is -- now,
16 he's got an organization that has to enforce this.
17 So I understand he's got a cost basis there.
18 Whatever profitability he does have potentially could
19 come into this plan.

20 FACILITATOR LIZ UPCHURCH: So look for
21 potential additional revenue from commercial rec
22 sources it sounds like is your advice.

23 MR. MITCH JONES: And I hate to do --

24 FACILITATOR LIZ UPCHURCH: Does
25 this --

1 MR. MITCH JONES: -- his budget for
2 him. That would be awful.

3 FACILITATOR LIZ UPCHURCH: Does this
4 capture, this last bullet, if -- access the impact on
5 bottom line, how much money do the programs bring in,
6 does that capture your full --

7 MR. MITCH JONES: Yes, ma'am.

8 FACILITATOR LIZ UPCHURCH: Okay.
9 Thank you. I think, Mark, you were --

10 DFO ANDA RAY: Can we please add
11 recreation fees up there because it doesn't --

12 FACILITATOR LIZ UPCHURCH: Okay.
13 Maybe add the term use recreation at the end of that.

14 MR. MITCH JONES: Recreation fees.

15 FACILITATOR LIZ UPCHURCH: Thank you.
16 Mark, I think you were next actually with your sign
17 up.

18 MR. MARK HOMMICH: Yeah. Just going
19 back to a point that Mitch made to begin with. I
20 think -- I agree with a lot of the comments that were
21 made here today about the responsibility of TVA and
22 the importance of that. I think the challenge for
23 you folks and everybody is to convince the general
24 public that this is a good expenditure.

25 And I think some of the debate here in

1 some ways parallels the debate that's going on in
2 Washington with the overall budget and trying to get
3 it in check.

4 There's lots of programs that are
5 sacred and I would say -- and people don't want a
6 cut. So the Congress is looking at things that are
7 easier to cut, such as infrastructure. And you know,
8 these are some infrastructures expenses that we're
9 talking about here in terms of lands management and
10 taking care of the resources that you have.

11 We have got to convince the public and
12 the ratepayers that this is a good expenditure to
13 raise the rates. You know, I think it is, but people
14 don't get it.

15 FACILITATOR LIZ UPCHURCH: So would
16 you say a piece of advice for TVA might be to work to
17 convince the public and ratepayers that this is a
18 good expenditure?

19 MR. MARK HOMMRICH: Yes.

20 FACILITATOR LIZ UPCHURCH: Does that
21 capture what you --

22 MR. MARK HOMMRICH: Yeah. I think, as
23 Anda said, she has to convince the Board and also the
24 public that this additional rate that that is going
25 to cost is good for them because --

1 FACILITATOR LIZ UPCHURCH: So -- and
2 the Board, the TVA Boards?

3 MR. MARK HOMMRICH: Yes.

4 FACILITATOR LIZ UPCHURCH: Okay. Can
5 you add TVA Board to that last bullet, please?

6 MR. MARK HOMMRICH: We have got a real
7 problem in our industry with infrastructure and the
8 deterioration of the locks and dams and the
9 underfunding that's gone on for years, not only that,
10 but the roadways. People don't get it. They take it
11 for granted and they take water quality for granted
12 and these things, but there is a cost to them and
13 it's a worthy expense. The general public, they
14 don't get it.

15 FACILITATOR LIZ UPCHURCH: Yeah. And
16 I think that's probably true in a lot of areas, but
17 thank you for your comment.

18 Did that capture kind of -- did you
19 get to say everything you wanted to say?

20 MR. MARK HOMMRICH: Yeah.

21 FACILITATOR LIZ UPCHURCH: Okay. And
22 I know we have a lot of other signs up here. I'm not
23 sure who was up first.

24 Is it Jean or Mark?

25 DFO ANDA RAY: Ron has been sitting

1 there.

2 FACILITATOR LIZ UPCHURCH: Oh, Ron,
3 I'm sorry.

4 MR. RON FUGATT: I will probably
5 repeat some things that were said, but let me ramble
6 a little bit.

7 Obviously distributors are the ones
8 that take the brunt of rate changes, especially
9 increases, because they have to answer the phone and
10 talk to the customers and those kinds of things
11 and -- but distributors also put money into the
12 economic development, and they know that TVA puts a
13 significant amount of money in that economic
14 development.

15 If I was to be asked to approach the
16 Board, we're talking about incremental here. We're
17 talking about there's some requirements, I guess we
18 call it custodial or whatever, that TVA is committed
19 to either out of the -- and before -- one thing that
20 might be said, the appropriations were lost, true,
21 but TVA got a much lower interest on some government
22 loans too and that was an offset that hasn't been
23 mentioned. So there was some economic offset for TVA
24 to do this.

25 What I would say is, what are the

1 justification from going from we are today to going
2 to something more?

3 And if I were convinced that it would
4 bring in, you know, an economic benefit that was
5 either equal to or greater than what we were putting
6 into it, then that would be something I wouldn't have
7 a -- I know customers wouldn't like it, but I could
8 say I think pretty straightforward that, well, it
9 takes money to make money and this is one way of
10 doing it.

11 And also, I want to touch on what
12 Russell said, that part of it is -- I call them soft
13 costs. There's things that every organization does
14 that they know is not going to return any money on
15 it, but it's goodwill. It's the things that are
16 necessary to keep you as a viable organization.

17 I know Mark was talking about one last
18 night about some (unintelligible), right, Mark, but,
19 I mean, you do those things because they are
20 important to your community and in this case it's
21 important to the Valley.

22 So I think with those justifications,
23 you know, would be the things that I would use if I
24 went towards the Board.

25 FACILITATOR LIZ UPCHURCH: Okay.

1 MR. RON FUGATT: I mean, we're really
2 beating on economics, Anda, and, you know, that is
3 going to be a big challenge for TVA, I think, to some
4 extent to actually quantify those to some extent, but
5 I think that would be what I would -- we have to do
6 what we have to do.

7 Now, can we justify -- one of the
8 justifications for moving on in whatever level we
9 choose to go, and they are both economic and they're
10 also both what's good for the community?

11 FACILITATOR LIZ UPCHURCH: So we would
12 also add to this last bullet up here, use the
13 economic benefit to justify additional spending over
14 that -- over what is required and goodwill
15 justification it sounds like you said as well?

16 MR. RON FUGATT: Yes.

17 FACILITATOR LIZ UPCHURCH: So could
18 you add goodwill justifications, does that capture
19 what you were getting at, Ron?

20 MR. RON FUGATT: Yes.

21 FACILITATOR LIZ UPCHURCH: Okay.
22 Thank you for your comment.

23 Mark -- oops, pardon me. Mark, were
24 you next? I'm not sure really who was next. Do you
25 mind -- okay.

1 MR. MARK IVERSON: I guess maybe I
2 would like to pick up where Ron left off from the
3 standpoint of what distributors will end up hearing.

4 I have one distributor manager who
5 always says, we need not to forget that Ma and Pa
6 Kettle out there are the ones that pays the bill and
7 they are the ones who struggle every day for trying
8 to balance what little fixed income they have and
9 every dollar means something significant to them, and
10 that's what we end up hearing as distributors.

11 Now, it's not necessarily
12 across-the-board for everybody, but there is a
13 certain large part of our population that that's a
14 reality for them.

15 TVA is kind of an odd animal, I guess,
16 in some sense. You know, they are -- you know,
17 they -- I guess maybe the first voice reaction when
18 you ask people, what is TVA, they think they are the
19 power company. They are the generation and
20 transmission company.

21 They have -- obviously, their mission
22 is much broader than that. It has economic
23 development and it has stewardship responsibilities.
24 That last piece a lot of times is -- you usually
25 think of that in the function of general government,

1 you know, supported through general tax revenues. So
2 once appropriations got lost, it's now look to --
3 back to the power side to essentially be the funding
4 source for that.

5 So that co-mingling of those functions
6 becomes -- I don't know if it's problematic, but it
7 creates an additional challenge for TVA to try to
8 communicate these different balancing and these
9 competing issues that it's responsible for. So it is
10 a -- I think from a staff perspective, that's a big
11 challenge. From a Board perspective, that's huge.

12 And I think what Anda was trying to
13 communicate to us this morning is there are some very
14 significant realities that TVA is having to deal
15 with, not the least of which is their statutory debt
16 ceiling.

17 You take the Kingston plant situation
18 and the cost of that, which became a billion dollar
19 layer to their debt, it just puts more pressure on
20 we're at the top, the political environment in
21 Washington in terms of trying to change that, that's
22 not a slam dunk. That is not a slam dunk.

23 And I guess I'm just trying to maybe
24 reinforce that what we're hearing from the staff is
25 trying to just kind of -- maybe what they're saying

1 is this is what we're kind of comfortable supporting,
2 I'm maybe not trying to put words in their mouth, but
3 much past this is going to be a tough sale. I think
4 that's probably a -- that's what I am hearing, maybe
5 I will put it that way.

6 And I guess as distributors it's
7 probably -- because there's already going to be some
8 additional rate pressures because of capital needs
9 for plant replacements and other things, you add
10 another layer on top of that, it's just going to be
11 hard to communicate all of those things to customers
12 and help them understand that.

13 A couple of things, maybe again
14 picking up where Ron left off, I think the economics,
15 trying to show that there's some value out there.
16 And I don't know if some of these programs moving
17 from custodial to blended, I always hate using the
18 catchy phrases because they just drive me nuts, but
19 the low-hanging-fruit-type thing, maybe trying to
20 demonstrate some of these programs where we can --
21 this amount of spend will create five times more
22 value and it's just -- it's almost a no-brainer
23 because it's right there and easy to spend, that
24 makes that sales job that much easier.

25 I know I'm kind of rambling a lot of

1 different things. I guess the last thing I might say
2 is kind of going back to the economic policy that TVA
3 kind of put together a few years back, maybe one of
4 the things that we need to try to do is look at it
5 and say, okay, we need to establish some -- through
6 that policy, you know, there are things that we value
7 and we spend on what we value.

8 So a value statement or something that
9 reinforces the economic policy and try to establish
10 then that these are some goals we would like to
11 accomplish through this Natural Resource Plan.

12 FACILITATOR LIZ UPCHURCH: I think I
13 heard two kind of primary pieces of advice that I
14 think -- and you tell me if this is what you wanted
15 to say, but I think one of them was, yeah,
16 demonstrate the value of some programs where they are
17 kind of-no brainer-type decisions. They create a
18 much greater value than what we would be expending.
19 Then the other was have a value statement based on
20 our economic policy or I wasn't sure if you meant
21 environmental policy.

22 MR. MARK IVERSON: Environmental is
23 really what I meant. I'm sorry.

24 FACILITATOR LIZ UPCHURCH: Okay.
25 Based on environmental policy, make sure we have a

1 value statement that comes out of that and then spend
2 on what we value.

3 Okay. Does that capture pretty much
4 what you were going for?

5 MR. MARK IVERSON: Uh-huh.

6 FACILITATOR LIZ UPCHURCH: Okay.

7 Thanks.

8 Jean, would you like to go next?

9 MRS. JEAN ELMORE: Question: When we
10 need money for whatever program, what's the easiest
11 thing -- where is our easiest place to get it, raise
12 the rates.

13 Through this natural resource thing
14 that we're working on now, who is the direct
15 beneficiary of that? Who gets more benefit from what
16 we're doing with, you know, trying to enhance clean
17 water, the whole bit, recreation, people using,
18 that's one of the largest direct benefits of this.

19 It seems to me that we -- that TVA has
20 a gold mine in their recreational facilities. I
21 think they should be self-sustaining, plus should be
22 revenue enhancing to implement some of the things
23 that's going to enhance for the people. So why are
24 we reluctant to charge for all of -- you know, a lot
25 of our recreation is free. I mean, nothing in life

1 is free.

2 So my question is: Can we not look at
3 some of those other areas of revenue rather than
4 always just saying -- and we may still have to have a
5 rate increase because I know it's bigger than this,
6 that's not, you know, but let's not always look at
7 the easiest thing, raise the rates because that's
8 going to bring in X millions of dollars, but there's
9 a real big picture to all of that, too.

10 FACILITATOR LIZ UPCHURCH: So it
11 sounds like what you're saying is look for other
12 sources of revenue, including recreation facilities.
13 Then you had a -- did you really mean that as a
14 question about why? I don't know if anybody -- was
15 that more of a rhetorical question?

16 MRS. JEAN ELMORE: Rhetorical, Yes.

17 FACILITATOR LIZ UPCHURCH: Okay. Does
18 this capture your intent?

19 We have charge for recreation
20 facilities and other programs to bring in revenue to
21 support other programs, is that how you would --

22 MRS. JEAN ELMORE: To support the
23 recreation programs.

24 FACILITATOR LIZ UPCHURCH: Support the
25 recreation programs.

1 MRS. JEAN ELMORE: Which actually
2 plays into, you know, what we're looking at here on
3 the resources -- natural resources because they are
4 direct benefits from this.

5 FACILITATOR LIZ UPCHURCH: Right.

6 MRS. JEAN ELMORE: These enhancements
7 enhance the water, the recreational facilities, you
8 know, all of that and, you know, people are willing
9 to pay for what they are -- their entertainment, you
10 know.

11 FACILITATOR LIZ UPCHURCH: Right. So
12 have that money kind of go back into refunding?

13 MRS. JEAN ELMORE: Let the money go
14 back --

15 FACILITATOR LIZ UPCHURCH: Okay.

16 MRS. JEAN ELMORE: -- for that. We're
17 not -- much of it we're getting no income from.

18 FACILITATOR LIZ UPCHURCH: All right.
19 And I think -- I think the note I got was that we
20 want to spend about ten more minutes on this
21 question. So I know we have several of you that have
22 your signs up, and I think we will go ahead and if
23 you-all can concisely go through your stuff and then
24 we're going to go back and get consensus on these
25 bullets if everybody is okay with that.

1 So, Tom, I think you're next.

2 CHAIR MR. TOM LITTLEPAGE: Deb was
3 ahead of me.

4 CHAIR DEBORAH WOOLLEY: You can go.

5 MR. TOM LITTLEPAGE: I am hearing some
6 good discussion here, and I guess I am thinking back
7 to some of the comments we had at the previous
8 meeting.

9 One of the things we have to remember
10 is that this is a strategic vision. You know, the
11 environmental policy lays out a very general
12 perspective of TVA's view of their responsibility,
13 and then this puts more meat on the bones. We have
14 to remember that some of this we want to get to a
15 dollar we can wrap around, but the reality is some of
16 these things don't lend themselves to dollar
17 valuations.

18 So I think it's critically important
19 that we define measure, but in some cases they are
20 going to be qualitative measures and not economic
21 measures and trying to look at the balance without
22 spending an inordinate amount of time.

23 The reason this has been hard is
24 because it's hard. Nobody has been able to do this.
25 You know, you talk about this is the first time TVA

1 has put together a plan like this. I know the Corps
2 has struggled with this, forestry, the state resource
3 agencies in trying to figure out a parameter or a
4 measure to say, here's what we bring to the table.
5 In some cases science has not been able to provide
6 that.

7 We can provide qualitative bounds. I
8 think Mitch's idea of looking at, well, let's just
9 turn off the spigot for a year as a theoretical
10 exercise, what does that do to even those metrics
11 that have economic values? Can we put some
12 perspectives on that?

13 So I guess my thought is we need to
14 make sure the plan defines a goal for stewardship and
15 that what we have heard from several folks is we need
16 to set the example. TVA is a unique entity that's
17 been given public resources and has private
18 capabilities and is in a position to set the bar that
19 will lead other state and federal regional entities
20 behind them. They can start a path and blaze a trail
21 that will actually set the standard for other federal
22 agencies and for those of us in the southeast.

23 We talked about the -- you know,
24 looking at ways to encourage partnerships in that
25 effort and educating citizens and stakeholders on

1 what these resources mean. I guess my big point is,
2 let's -- let's define what we think we need to really
3 set that bar and see what those numbers are, don't be
4 scared of the numbers initially, and then look at the
5 numbers and say there's a number of ways to do that.
6 Let's use the same creative juices that led us into
7 this process to look at ways to innovatively fund it.

8 Yeah, we have talked about rate
9 increases. We have -- Jean just introduced the
10 concept of user fees, and I think that's a very
11 sensitive issue just like rate increases are.

12 Paul, I think, alluded to the fact
13 that there are partnership opportunities where you
14 can seek to cost share some of these activities where
15 we, as states, can step in and kind of augment TVA so
16 that TVA doesn't have to bear the full brunt of some
17 of these activities.

18 And then don't forget the risk aspect,
19 we have talked about that several times. What if we
20 don't do something and through failure to do
21 shoreline erosion we lose a non-renewable
22 archeological site that's gone forever and what's the
23 risk in terms of both the public perception to TVA as
24 an environmental steward and to the science or to the
25 value of that site?

1 FACILITATOR LIZ UPCHURCH: Okay. Just
2 to kind of paraphrase what I think I heard you say,
3 and maybe we can -- well, we have got some of it. I
4 think you said define what we need to set the bar and
5 then determine the amount of money we need and seek
6 alternate funding sources. Also look at risks
7 related to funding or not funding.

8 CHAIR MR. TOM LITTLEPAGE: There are
9 qualitative measures, there are those things that
10 will not lend themselves to pure economics.

11 FACILITATOR LIZ UPCHURCH: Okay. And
12 also consider that there are qualitative measures.
13 Thank you for your comments.

14 MR. TOM LITTLEPAGE: Don't forget this
15 is a strategic plan.

16 FACILITATOR LIZ UPCHURCH: Okay. And
17 can you put in there remember this is a strategic
18 level plan?

19 Okay. Deb.

20 CHAIR DEBORAH WOOLLEY: A couple of
21 things building on what's said. One of the things --
22 since we're going to go back shortly and try to reach
23 some consensus, I think one of the things that I have
24 heard pretty much from everybody, but I am not sure
25 we have got it up there, is when you go into the

1 Board with a plan like this, your ultimate vision,
2 your aspiration, wherever you want to go with it, has
3 got to be the top. You don't --

4 FACILITATOR LIZ UPCHURCH: Clearly at
5 the --

6 CHAIR DEBORAH WOOLLEY: -- go in with
7 the goal of being at the bottom.

8 So, you know, it doesn't mean you have
9 sat it out and said -- you have to say, this is where
10 we want to be. So I think you have got to have a
11 vision or an aspiration to be flagship or advanced or
12 whatever the top thing is.

13 I think if you're going in -- you
14 know, one of the things that hits me is that we sit
15 here as a Regional Resource Council. So we sit here
16 very much focused on resources. One of the things
17 that I have sensed from TVA over the last four to
18 five years in working in some of the different things
19 is that TVA is becoming very integrated.

20 It goes back to what Mitch opened this
21 morning with clean water is fundamental to existence.
22 So if we're looking at stewardship of water, we're
23 looking at stewardship of some of these resources, we
24 have to then look over to some of your other
25 missions, economic development, your ability to have

1 water to run power because you haven't had to shut
2 something down or do it, and all of those economic
3 benefits need to come from the stewardship side also.
4 You can't just say this is a silo.

5 So somehow we look at that -- even
6 when I look at -- and anybody who has sat on this
7 council and listened to Russell has -- as least I do,
8 I am more amazed every time at the depth and breadth
9 of the cultural resources. It's hard to quantify
10 that, but if you -- if you -- but you don't quantify
11 everything by counting people or charging a fee to
12 get in. You quantify it by marketing it, by
13 explaining it.

14 And then it becomes (sic) back to what
15 Avis was talking about the other day, what visitors
16 come, you know, what people come and spend money in
17 the Valley so that it becomes an economic development
18 thing.

19 So I think it's always wanting to go
20 to the top. I think it's looking at the value of
21 natural resources, not just to natural resources, but
22 to the overall mission, to the economic growth, the
23 jobs, the ability to create power.

24 FACILITATOR LIZ UPCHURCH: So look at
25 the value of natural resources, also to the other

1 missions, that's what I heard.

2 CHAIR DEBORAH WOOLLEY: I mean, if
3 you're doing a good job and it lets -- it lets the
4 recreational areas operate, it lets Mark deliver, it
5 let's facilities I have got be permitted and go, then
6 you can't give all of that credit over to economic
7 development and say, oh, look what they did, you have
8 to relate it back in if you're going to be
9 integrated.

10 So I think there's a -- I think we're
11 still getting back to, Anda, how you-all can quantify
12 the value of what you're doing here, not only for
13 dollars that you get, but for the very existence of
14 everything else.

15 Turn off the spigot and if you don't
16 do it, what else stops?

17 And then that makes a very, very
18 convincing argument on different levels to go into
19 the Board and say, this is what given next year's
20 budget, because it's government and it operates on a
21 year-to-year budget, what we need and how we can use
22 it and how can we can enhance it.

23 FACILITATOR LIZ UPCHURCH: Does this
24 bullet capture what you were -- the gist of what you
25 were saying? We have clear vision of being at the

1 top and looking at the value of natural resources,
2 also to the other missions.

3 CHAIR DEBORAH WOOLLEY: Well -- and I
4 think you also have to take some responsibility to --
5 to enhance the value of things like cultural
6 resources that maybe don't have a natural
7 quantitative value, but you have -- I mean, you have
8 to explain it.

9 FACILITATOR LIZ UPCHURCH: Things that
10 we don't --

11 CHAIR DEBORAH WOOLLEY: I mean, we
12 have talked about rates. If any of you want to go
13 home with me for dinner to my little 90-year-old
14 mother the day you announce a fuel increase cost and
15 her bill is going up a \$1.50, it's emotional.

16 I am glad I am not in my office today
17 because if you're notifying direct serves, my phone
18 is probably ringing from direct serves who are
19 saying, what are they doing to me? So it's very
20 emotional and very personal.

21 So I think -- there is a lot of
22 implementation strategies that come in marketing. We
23 have talked about explaining it better.

24 FACILITATOR LIZ UPCHURCH: Yeah, I
25 mean, you --

1 CHAIR DEBORAH WOOLLEY: You break it
2 cost on a bill, there's a lot of ways you can do it,
3 but that's implementation. Here, I think, is what
4 you take to the Board.

5 FACILITATOR LIZ UPCHURCH: Thanks for
6 your comments. I'm getting some signals that we need
7 to move our time along a little bit. So I know,
8 Anda, you have got your sign up and so does Paul and
9 Jean, can you-all each just do a couple minutes? Do
10 you want them to go first?

11 Paul, I think, was next. Can you
12 be —

13 MR. PAUL SLOAN: I can be very tight.

14 FACILITATOR LIZ UPCHURCH: —
15 succinct?

16 DFO ANDA RAY: Let's see. I'm not
17 sure.

18 CHAIR DEBORAH WOOLLEY: This is going
19 to be new.

20 MR. MITCH JONES: I have got \$5.

21 MR. PAUL SLOAN: Got it. Just one —
22 the matrix of comparing this to the revenue, you
23 know, if we don't do it this year, I think we need to
24 add an additional one given the economic development
25 mission, what is the — what's the economic benefit

1 to the Valley as opposed to -- so that's the matrix
2 that needs to be added.

3 FACILITATOR LIZ UPCHURCH: To the
4 Valley.

5 MR. PAUL SLOAN: The second is a
6 question. Are we -- are we absolutely wed -- are we
7 absolutely wed to giving the Board three
8 alternatives?

9 Because if I am sitting on the Board
10 and you're giving me three alternatives, I am going
11 to lose -- unless I take the top I have lost. I am
12 going to have a whole -- at any rate, I -- you know,
13 you are really setting me up for giving a
14 less-than-desirable decision.

15 And to me the -- I would recommend --
16 I never -- I mean -- plus, to some extent we're not
17 doing our job or the plan is not doing its job if you
18 don't make a recommendation. Don't give me three
19 choices. Tell me what you recommend.

20 In that regard, I jumped ahead. I
21 would recommend doing something very -- well, it
22 needs -- to me it needs to be driven by the health
23 and relooking at the custodial criteria and I -- if
24 you go back into the 2008 environmental policy and
25 the 2010 review of that, which I just took a quick

1 look, the sustainable land use, that aspiration is
2 TVA will strive to maintain the lands under its
3 management in good environmental health, that's the
4 language. And in water resources, the environmental
5 objective is TVA will improve reservoir and stream
6 quality.

7 So I submit probably when you -- I
8 would review the programs and say how much -- where
9 are those programs necessary to, one, get the
10 information that you need to determine what the
11 baseline is today of the water quality, what the
12 baseline is of healthy -- of health?

13 And my suspicion is you're going to
14 come up -- you're going to eliminate what is
15 currently custodial. It will move up to where you
16 are or wherever the middle is, what's the middle, to
17 the enhanced or somewhere in there.

18 So I would recalibrate that, is what I
19 would urge you to do, and when you get there see
20 where you are and see how big a gap there is between
21 enhanced and the flagship and try to achieve that
22 through the flexibility approach of --

23 FACILITATOR LIZ UPCHURCH: So it
24 sounds like you are saying, kind of in a nutshell,
25 have one recommendation or one recommended

1 alternative that we're going forward with and base
2 that on looking at health criteria, review of our
3 program, and recalibration.

4 MR. PAUL SLOAN: And that was a
5 question though, I mean, maybe to those that have
6 been on the Council, are we -- and to Anda and
7 others, are we obligated to give the Board three
8 alternatives or do we have the ability to give a
9 recommendation?

10 MR. RUSSELL TOWNSEND: Is it an EIS
11 requirement?

12 MS. KELLY LOVE: It is a requirement
13 of the National Environmental Policy Act that we
14 perform an environmental review that considers
15 reasonable alternatives and our --

16 MR. PAUL SLOAN: Right. And we have
17 done that.

18 MS. KELLY LOVE: -- recommended course
19 of action, but I think there's some confusion about
20 what custodial, blended, and advanced mean in the
21 NRP.

22 MR. PAUL SLOAN: Amen.

23 MS. KELLY LOVE: They actually are
24 recommending one course of action. We're saying that
25 those activities in the custodial and the blended

1 columns are the things that we're going to do first.
2 Those are the things that we're going to focus our
3 efforts on.

4 If there's additional monies, we're
5 going to move over to those things that are in the
6 advanced column, so those additional flagship. So
7 those aren't actually three alternatives. They are
8 sort of the construct of our direction, and I think
9 there was some confusion about that in our
10 explanation and just from the comments that I have
11 heard.

12 MR. PAUL SLOAN: There's definite
13 confusion about that.

14 MRS. RENEE HOYOS: Yeah.

15 MR. PAUL SLOAN: And I -- and so I
16 would think about how we present it then. I would
17 have to just go back over to my comments that I just
18 made, there's a -- I think there's a way to submit
19 this rather than -- in a more compelling way.

20 MS. KELLY LOVE: Yes, in a more
21 simplified way and way that's going to be a little
22 bit clearer and more compelling.

23 MR. PAUL SLOAN: I was responding to a
24 question and so I don't lose my \$5 here.

25 FACILITATOR LIZ UPCHURCH: Okay. So

1 we have up here, make one recommendation to the
2 Board, does that kind of -- I mean, I know it's
3 pretty succinct, but does that pretty much still get
4 at what you -- what your intent is, Paul? Then we're
5 going to move on to Jean and then Anda.

6 MR. PAUL SLOAN: Move on.

7 FACILITATOR LIZ UPCHURCH: Okay.

8 Thanks.

9 MRS. JEAN ELMORE: Just very quickly.
10 Move back up to the -- mine was charge for
11 recreation, that automatically puts up a red flag.
12 Yes, that's it.

13 Change that, if you would, to look at
14 all of our resources to determine if there are any
15 other places where income could come in that would
16 help to offset that. I mean, someone is going to
17 look at that charge for recreation and immediately
18 their mind is shut off to, no, we can't.

19 FACILITATOR LIZ UPCHURCH: Right.

20 Look for other revenue sources.

21 MRS. JEAN ELMORE: Look for other
22 revenue sources and look at all of our resources.

23 FACILITATOR LIZ UPCHURCH: Okay.

24 Then, Anda, did you have some --

25 DFO ANDA RAY: And if I could, I am so

1 glad that I went last. First of all, thank you for
2 the aspirational words and messages. I don't want to
3 lose that because that's how you engage people
4 emotionally before they look at the tactical.

5 Now, I want to ask your opinion on
6 quantifying with measures, and I think that what I
7 have heard is there's no silver bullet that says if
8 you just benchmark this number you're going to get
9 your answer and it's going to pop out, not happening,
10 but if we can come up with here's how big the box is,
11 you know, if you look at this, this, and this.

12 So I am going to give you five
13 different parameters if you would respond. The first
14 one is look at the level of tourism. This was
15 Mitch's comment. There are quantifiable measures and
16 practices and approaches that say if you do this,
17 this, and this, you can say that you increased
18 tourism by this amount. So there are ways to do
19 that.

20 Okay. The second one is economic
21 development, and obviously with good greenways and
22 clean communities it increases the quality of life.
23 There is a way to identify job levels and businesses
24 that will locate in the area and bring in additional
25 tax revenue. So I think we can estimate an economic

1 development benefit.

2 We mentioned the archeological and
3 cultural issues, while we have the most, what do I
4 say, concentrated archeological sites, significant
5 sites of all federal lands, I think that looking at
6 NAGPRA as a requirement and how we interpret that is
7 certainly there's some band. What I heard you saying
8 is, here's the requirement, take the high road on
9 that band of how you interpret the NAGPRA
10 requirements for federal agencies.

11 So that's not -- that would be more of
12 a definitive, here's what you would have to do that
13 was different than what you were doing or it's not
14 going to be less.

15 The other two were, that was three, is
16 the value of recreation. And Paul, you brought that
17 up and said that the state parks and I know other
18 parks have had to justify why they expended the money
19 in those areas, and I think we would look at those
20 metrics and be able to apply the value of recreation,
21 which may tie to tourism, may tie to economic
22 development, but there's another number.

23 MR. PAUL SLOAN: Do you have that
24 report?

25 DFO ANDA RAY: No.

1 MR. PAUL SLOAN: I would like to see
2 it.

3 DFO ANDA RAY: And Renee, you
4 mentioned a healthier lifestyle. As people get out
5 more, it improves their health. There's actually a
6 study that we could refer to which says there's less
7 obesity and there's less medical costs, health care
8 costs, that would be qualitative, but we could
9 certainly metric it to the number of acres. Other
10 organizations have done that.

11 So are -- those for me are five areas
12 that I heard you talk about, tourism, economic
13 development, the value of recreation, healthier
14 lifestyle, and cultural resource protection that I
15 think we could measure and put metrics aside and they
16 will define -- each of them will define a different
17 level of economic value, but that defines the box.
18 Then we can say, and here's what we're talking about
19 spending to give you that economic benefit back.

20 MR. RON FUGATT: The only thing I
21 would add, you're separating tourism as another
22 element of economic development, is that your -- I
23 mean, it is economic development.

24 Do you just want to capture that as a
25 separate item or do you want to use it as --

1 MR. MITCH JONES: Tourism is easier to
2 quantify as the tourism directors have put an
3 economic impact number --

4 MR. RON FUGATT: I understand, but it
5 is economic, it is part of economic development, and
6 that would be my only question, Anda, is whether --
7 it might be best to keep them separate.

8 DFO ANDA RAY: Okay. I think it -- I
9 will look at that. What I was thinking was that
10 economic development uses the metrics of businesses,
11 revenue -- the amount of revenue coming in and jobs
12 gained and tourism is a subset of that but may look
13 at the amount of revenue associated with tourist
14 activities, which is slightly different, and I
15 thought it would just be another metric.

16 You're right, it's the same thing.
17 Okay.

18 FACILITATOR LIZ UPCHURCH: Okay.
19 Renee, I see you have your sign up.

20 MRS. RENEE HOYOS: Yeah. I was going
21 to add maybe another metric if you can -- I don't
22 know where you can find this data. I have looked for
23 it off and on and haven't been able to, but maybe you
24 will have better luck.

25 If you think about resource

1 management, in this case you'd be doing sort of
2 softer stewardship, you know, what does that save the
3 Agency in pollution costs?

4 So, for example, as critical as we
5 have been about the coal fly ash disaster, I have
6 also said this publicly, if you had been proactive 15
7 years ago and said, we're concerned about all of our
8 wet storage, we're going to move everything to dry
9 storage, we're going to raise your rates a quarter
10 percent, I think the public would have screamed, if
11 it ain't broke, don't fix it. So there's -- but it
12 did break and now there's this huge cost associated
13 with it.

14 So when you look at these sorts of
15 economic benefits I think it's -- if you can find the
16 data I think it would be good to point out that this
17 is prevention and prevention -- like they say, an
18 ounce of prevention is worth a pound of cure. I
19 think it's important to let them know that pollution
20 prevention actually saves you money in the long run.

21 CHAIR DEBORAH WOOLLEY: I think if you
22 reach into a lot of corporations which have got
23 strong stewardship missions now, they do an
24 exceptional job of quantifying it not only in terms
25 of their reputation and their customer base but in

1 terms of how it impacts their environmental
2 reduction, other programs internally. There's some
3 strong private sector models in corporations on doing
4 that.

5 FACILITATOR LIZ UPCHURCH: Okay.

6 MR. RON FUGATT: You know, Anda,
7 there's one other one on sort of picking up on what
8 Mitch said, out of those five there's nothing in
9 there about water quality, and water quality is a --
10 I don't know how you can measure it or what you can
11 put into it, but it's sort of the foundation of these
12 other -- of some of these other areas as far as
13 recreation and whatever and how you want to -- is
14 there any metric for water quality?

15 DFO ANDA RAY: Well, I appreciate
16 that. I was going to actually use the water quality
17 and if it goes beyond drinking water standards, then
18 it exceeds recreation standards because you're not
19 going to swim in it if you can't swallow it. So I
20 was going to say, well, if the water is not, you
21 know, at least --

22 MR. MITCH JONES: I've never heard
23 that. That's a good one.

24 DFO ANDA RAY: Well, if the water is
25 not to at least to some level, then you lose all of

1 the swimming activities which would be associated
2 with boating. So that's how it's going to relate the
3 water quality.

4 Thank you.

5 FACILITATOR LIZ UPCHURCH: Okay.
6 Great. So I think — and I know we have captured
7 those notes, and with our court reporter as well. At
8 this point what I would like to do is scroll back
9 through our points here and I think — Beth, do we
10 have anybody signed up for public comments?

11 MS. BETH KEEL: No.

12 FACILITATOR LIZ UPCHURCH: We don't.
13 Okay. So what I think we ought to do, if everybody
14 is okay with this, is go back through our points
15 here, make sure this is what we want to say, and then
16 take a break and then come back and do our last
17 couple of questions.

18 DFO ANDA RAY: Which we already have a
19 head start on.

20 FACILITATOR LIZ UPCHURCH: Which we
21 have a head start on. Does everybody feel okay about
22 that approach?

23 Okay. Okay. So what we have up here,
24 again, the question was, what is the appropriate
25 level of funding for natural resource management, and

1 we wanted to really form this in -- as advice to TVA
2 and to our Board about how -- about -- related to the
3 NRP in this frame of the question. So appropriate
4 level of funding for natural resource management.

5 The first bullet is TVA needs to tie
6 appropriations to its positive cash flow for the
7 year, is that still a good one? Is everybody okay
8 with that one?

9 And I think that was one of Mitch's, I
10 think, initial comments. Actually, the rest of those
11 under those I think should all be the same bullet.

12 DFO ANDA RAY: I think you just
13 need -- the appropriations isn't the same as --

14 FACILITATOR LIZ UPCHURCH: They are
15 all separate bullets. Sorry.

16 DFO ANDA RAY: I think it just means
17 appropriations might be confused with federal
18 appropriations.

19 FACILITATOR LIZ UPCHURCH: Oh, okay.
20 Okay. So does it -- do we need to change the wording
21 on that?

22 MR. RON FUGATT: Funding. Funding.

23 MRS. RENEE HOYOS: I think we were
24 taking not about positive cash flow as much as
25 profit.

1 FACILITATOR LIZ UPCHURCH: Or fund
2 when we have money, is that --

3 MR. PAUL SLOAN: I mean, I hate to do
4 this, but that -- tying it to a contingency or
5 flexibility really was for that incremental increase,
6 not for the -- I mean, you're obligated to deliver
7 the baseline and so just --

8 FACILITATOR LIZ UPCHURCH: So tie --
9 tie additional funding or tie additional programs
10 beyond custodial to additional revenue for the year
11 or positive cash flow for the year?

12 Maybe we should hold on this one until
13 Mitch gets back also.

14 CHAIR DEBORAH WOOLLEY: Yeah. What I
15 was going to suggest is in looking at them we have
16 got some things that are -- maybe we can group them
17 because if we just go through on each one we can go
18 with each one, but I think there's some things that
19 are repeated in different ways. I think there's some
20 soft concepts that maybe if we --

21 FACILITATOR LIZ UPCHURCH: Okay.

22 CHAIR DEBORAH WOOLLEY: -- package it
23 and group them, then we end up with two or three very
24 clear consensus things as opposed to --

25 FACILITATOR LIZ UPCHURCH: Why don't

1 we then take a minute and we'll all just read through
2 all of the bullets, we will take a moment to do that,
3 and then maybe start to group. That's a great idea,
4 Deb.

5 So if you can just -- the folks that
6 have the computer, just scroll down a little bit and
7 then slowly -- we will let people read and scroll a
8 little bit.

9 Did everybody have a chance to kind of
10 get a sense of what's up there?

11 I think that there's a couple of
12 comment themes. One that I saw was about defining
13 the value, both economics and other things.

14 Does anybody see a comment theme they
15 want to start with to try to group?

16 CHAIR DEBORAH WOOLLEY: I mean, I
17 think that when I look at it there's -- there's,
18 first of all, the level we should aspire to that
19 seems to run through.

20 Then there seems to be a recognition
21 of revenues and the need to stay within budget, but
22 then there tends to be some maybe different --
23 different varied arguments for different sectors
24 about how you get to measuring the quantification of
25 it. Some is qualitative, some is quantitative.

1 But, you know, when you -- when you --
2 when the staff goes in for an annual budget and
3 actually makes the request, which is not what I think
4 we're doing in this, we're just kind of setting a
5 direction of how they quantify one program may be
6 different than how they quantify another program, but
7 to me from us they need the flexibility and the
8 ability to do that.

9 So I would look at what level we're
10 aspiring to, how we -- how we think we -- how you
11 would make that argument to the Board, how you would
12 quantify or qualify what you're asking for.

13 And then help me out, folks, the other
14 thing I guess I see in there is how you tie it back
15 to the mission of TVA, what you're responsible for,
16 as well as individually as a sector but also as a
17 whole.

18 DFO ANDA RAY: We're at the point
19 where you need to go through these and either say we
20 don't want to say that, it's already handled, or
21 combine them.

22 CHAIR DEBORAH WOOLLEY: Or we can kind
23 of get kind of a couple that we can --

24 DFO ANDA RAY: Or you can keep them.
25 I mean, the quotes are -- you could say this is a

1 good quote, I mean, but I think trying to -- without
2 having them all on the screen for you to try to
3 consolidate, it's going to make it really hard. So a
4 really fast way is for you to go through and say do
5 you agree or disagree with that statement and then it
6 -- you don't have to worry that you have to be
7 concise on the putting them together right now.

8 FACILITATOR LIZ UPCHURCH: Okay. So
9 we're just going to go through and look at each
10 bullet and --

11 MR. MITCH JONES: That's the way I'd
12 do it.

13 FACILITATOR LIZ UPCHURCH: -- agree or
14 disagree.

15 DFO ANDA RAY: Ron.

16 MR. RON FUGATT: I've just got one
17 caveat, we can't answer that question. All we have
18 done is create questions and information discovery as
19 to whether -- to answer that question. So you need
20 to understand that's what we're doing in my mind.

21 DFO ANDA RAY: Right. And I
22 appreciate that. If I can -- if we get out of you
23 the aspirations and TVA hears your guiding -- kind of
24 your guiding for this amount -- how do you determine
25 the appropriate amount and performance metrics,

1 that's all you can do.

2 MR. RON FUGATT: Right.

3 DFO ANDA RAY: Thanks, Ron.

4 FACILITATOR LIZ UPCHURCH: Okay. So
5 back to the first one, tie appropriations to positive
6 cash flow for the year, is that an okay point? Does
7 anybody have a major --

8 MR. RON FUGATT: The only point I've
9 got is we're getting into some accounting terms here
10 and they mean different things to different people,
11 and TVA could have a negative cash flow because
12 they've spent all their money on capital expenditures
13 and everything. So I think that we need to think in
14 terms of what it is, and I think what we're really
15 saying is that we would -- we would tie the funding,
16 and taking appropriations out would probably be a
17 good term, to available funds or something like that.

18 FACILITATOR LIZ UPCHURCH: So tie
19 funding to available funds, is that acceptable?

20 CHAIR MR. TOM LITTLEPAGE: That's
21 better.

22 FACILITATOR LIZ UPCHURCH: Okay. Tie
23 funds to available funds, we want to revise that one.

24 The next one, honor, service, and
25 responsibility. Congress has assigned responsibility

1 to serve as a steward.

2 MR. MITCH JONES: That's a good one.

3 FACILITATOR LIZ UPCHURCH: Is that
4 okay?

5 CHAIR DEBORAH WOOLLEY: Very good.

6 FACILITATOR LIZ UPCHURCH: Okay. If
7 they serve as the best steward they can to these
8 resources on behalf of the American people, it gains
9 them honor. People would have faith and speak highly
10 of TVA.

11 MR. MITCH JONES: It's the same as the
12 second one. Move on.

13 MR. TOM LITTLEPAGE: It's redundant.

14 MRS. RENEE HOYOS: Well, I like it
15 better though.

16 FACILITATOR LIZ UPCHURCH: Do we want
17 to just keep it though?

18 MR. MITCH JONES: Okay. Take the
19 first one out.

20 FACILITATOR LIZ UPCHURCH: Can we just
21 keep them both? Is that okay with people?

22 MR. RON FUGATT: Yeah.

23 FACILITATOR LIZ UPCHURCH: Okay.
24 Focus first and foremost on those things that the
25 U.S. Government has entrusted to TVA, do those things

1 as good as we possibly can or as well as we possibly
2 can.

3 Is everybody okay with that?

4 Okay. Duty to perform, and if done
5 correctly, will gain them honor.

6 MR. MITCH JONES: Delete.

7 MR. RUSSELL TOWNSEND: Delete.

8 FACILITATOR LIZ UPCHURCH: Delete.

9 CHAIR DEBORAH WOOLLEY: That's
10 redundant.

11 FACILITATOR LIZ UPCHURCH: Delete.
12 Okay. Delete. Okay. There is honor is doing but
13 there is also value.

14 MR. MITCH JONES: We've got a value
15 comment coming. There's several of those coming
16 behind it.

17 FACILITATOR LIZ UPCHURCH: Redundant.
18 Do we want to delete that one?

19 CHAIR MR. TOM LITTLEPAGE: Yeah.
20 We've typically voted with a thumbs up or thumbs down
21 and that --

22 FACILITATOR LIZ UPCHURCH: Okay.

23 MR. TOM LITTLEPAGE: -- will make it
24 kind of quicker --

25 FACILITATOR LIZ UPCHURCH: Okay.

1 MR. TOM LITTLEPAGE: -- to just ask
2 for a poll if people want to delete or accept.

3 FACILITATOR LIZ UPCHURCH: Okay. For
4 the whole thing or bullet-by-bullet?

5 CHAIR MR. TOM LITTLEPAGE: By
6 bullet-by-bullet.

7 FACILITATOR LIZ UPCHURCH: Okay. So
8 the one we're still on is -- where are we?

9 MR. MITCH JONES: Quantify.

10 FACILITATOR LIZ UPCHURCH: Quantify
11 the value of stewardship. Support your request for
12 budget. Quantify return on investments.

13 Thumbs up?

14 Thumps down?

15 Thumbs up. Okay.

16 Any thumbs down?

17 Keep that one.

18 MR. RANDY MCADAMS: The thumbs have
19 it.

20 FACILITATOR LIZ UPCHURCH: The thumbs
21 have it.

22 It's incumbent upon TVA due to the
23 land and shoreline they own to manage at the highest
24 level they can afford.

25 Thumbs up?

1 Okay. Any thumbs down?

2 Okay. I think that one is fine.

3 Assess the impact on bottom line. How
4 much money do the programs bring in, recreation fees.

5 Thumbs up?

6 MR. PHIL HAZLE: I think we ought to
7 weigh the cost of enforcing those recreation fees, we
8 need to think about that, too.

9 FACILITATOR LIZ UPCHURCH: Okay.
10 Weigh cost of enforcing recreation fees?

11 MR. PHIL HAZLE: Yes.

12 FACILITATOR LIZ UPCHURCH: Okay. And
13 then, Renee, you had --

14 MRS. RENEE HOYOS: Is that a request
15 to the staff or is that something appropriate to go
16 to the Board because we're not asking the Board to
17 assess the impact on the bottom line, I think we're
18 asking the staff to do that.

19 FACILITATOR LIZ UPCHURCH: Could we
20 just note to staff maybe or comment to staff?

21 CHAIR MR. TOM LITTLEPAGE: Can the
22 staff assess the impact?

23 FACILITATOR LIZ UPCHURCH: Yeah.
24 Could the staff assess the impact?

25 I think we're saying, could the staff

1 actually weigh the cost of enforcing recreation fees,
2 is that -- is that what you're --

3 MRS. RENEE HOYOS: The whole thing
4 is --

5 MR. RON FUGATT: I think we're getting
6 ahead of ourselves because I think that was the point
7 that Mitch made about the commercial -- the current
8 fees that -- right?

9 DFO ANDA RAY: Right. The rent.

10 MR. RON FUGATT: I mean, there's
11 another one on down there about -- that Jean made --

12 DFO ANDA RAY: Okay. And it --

13 MR. RON FUGATT: -- that required what
14 Phil was talking about as far as enforcement costs.

15 FACILITATOR LIZ UPCHURCH: Okay. So
16 is this comment for TVA staff or for the Board or
17 does that matter?

18 MRS. RENEE HOYOS: I would say it's to
19 the staff.

20 MR. MITCH JONES: If I was tasked with
21 convincing the Board to give me 50 million bucks and
22 that staff generated, from where I sit, comes out, I
23 am convincing the Board of what I want them to do.

24 FACILITATOR LIZ UPCHURCH: Okay. So
25 you're saying assess the impact on the bottom line to

1 the Board?

2 DFO ANDA RAY: And that -- and if we
3 can clarify based on what Ron said, it's enforcing
4 the recreation guidelines, it's rent as opposed to
5 user fees, which is later.

6 FACILITATOR LIZ UPCHURCH: Oh, I see.
7 Okay. Yes, recreation rent.

8 Do we have a thumbs up on this one
9 now? Not really.

10 MRS. RENEE HOYOS: I think it's a
11 charge to the staff.

12 MR. MITCH JONES: I think it's a staff
13 comment.

14 CHAIR DEBORAH WOOLLEY: I think -- I
15 mean, we either need to say have -- staff should
16 assess or we need to --

17 FACILITATOR LIZ UPCHURCH: Have staff
18 assess.

19 CHAIR DEBORAH WOOLLEY: -- take it
20 out.

21 DFO ANDA RAY: Every single one of
22 those are directed -- the Board will say, staff, go
23 do this. So you don't have to figure out what they
24 are going to do.

25 MR. PHIL HAZLE: I guess what I was

1 referring to about the fees and not the cost on that
2 one, it comes down later on.

3 FACILITATOR LIZ UPCHURCH: So is
4 everybody okay with this now, just kind of
5 understanding it's probably going to come back to
6 staff anyhow?

7 Is there a thumbs up on this one?

8 MR. PHIL HAZLE: Recreation rent, I
9 was talking about the fees you might charge for a
10 ramp.

11 FACILITATOR LIZ UPCHURCH: Oh, you are
12 talking about user fees.

13 MR. PHIL HAZLE: I think that's later
14 on down.

15 CHAIR DEBORAH WOOLLEY: It's on down.

16 MR. PHIL HAZLE: That was my mistake.

17 MR. RON FUGATT: What we're saying is
18 weighing cost of enforcement needs to come out of
19 that bullet.

20 FACILITATOR LIZ UPCHURCH: Okay. So
21 delete the last. Okay.

22 So now is that okay?

23 MR. MITCH JONES: That's not what I
24 meant.

25 CHAIR DEBORAH WOOLLEY: No.

1 MRS. JEAN ELMORE: No.

2 MR. MITCH JONES: Hit the arrow that
3 undoes what you just did.

4 FACILITATOR LIZ UPCHURCH: Okay. So
5 what is the preferred action on this?

6 CHAIR DEBORAH WOOLLEY: It shouldn't
7 have come down.

8 MR. PHIL HAZLE: The difference in
9 being the rent and the fees, I mean, if TVA is
10 charging Mitch rent, I mean, for land, you know, that
11 shouldn't be any cost, that should be a contract or
12 whatever, but if you're charging recreation people
13 money to put boats in on a ramp, a TVA ramp, we need
14 to -- because it's going to cost most to enforce that
15 and they are going to go other places.

16 MR. JERRY FOUSE: You're exactly
17 right. The commercial use of TVA properties is the
18 new guideline, and that's rents. Then the other
19 recreation monies that we collect are the fees for
20 camping and civilian rents. Those are distinct
21 monies that we collect for --

22 MR. MITCH JONES: Weigh costs for --

23 MR. JERRY FOUSE: And we know how much
24 those are.

25 CHAIR DEBORAH WOOLLEY: One person at

1 a time and put your tent up.

2 MR. MITCH JONES: Jerry, we're saying
3 weigh cost of enforcing leases and easements,
4 correct?

5 MR. JERRY FOUSE: That's the rents.

6 MR. MITCH JONES: That's right.

7 MR. JERRY FOUSE: And then lower down
8 to what Jean was discussing earlier, that's the fee
9 part.

10 FACILITATOR LIZ UPCHURCH: So is
11 everybody okay with we're talking about rents here?
12 I think -- can you --

13 CHAIR DEBORAH WOOLLEY: Why don't we
14 just say, assess the impact of rents on the bottom
15 line and then on down we talk about the fees in
16 general?

17 FACILITATOR LIZ UPCHURCH: Okay. Yes.

18 MR. PAUL SLOAN: Is there a simpler
19 way to just say reassess the revenue or evaluate the
20 revenue opportunities in the sector in the natural
21 resources? I mean, it --

22 FACILITATOR LIZ UPCHURCH: Evaluate
23 the revenue opportunities.

24 MRS. JEAN ELMORE: Just evaluate.

25 MR. PAUL SLOAN: No, not the -- just

1 the revenue opportunities.

2 CHAIR DEBORAH WOOLLEY: Roll down to
3 the one that Jean put up.

4 MRS. JEAN ELMORE: Basically what, you
5 know, I was saying is evaluate what we have and see
6 what we can do with that. Can it generate income
7 on --

8 CHAIR DEBORAH WOOLLEY: With someone
9 there.

10 MRS. JEAN ELMORE: No. Just look at
11 it and instead of always saying --

12 MR. PAUL SLOAN: Evaluate additional
13 revenue opportunities from natural resources.

14 MRS. JEAN ELMORE: That's a good way
15 to put it.

16 CHAIR MR. TOM LITTLEPAGE: Good point.

17 MR. MITCH JONES: I would take that
18 sentence out then because it's all said and
19 encompassed in one nice one that Jean did later on.

20 FACILITATOR LIZ UPCHURCH: So you're
21 suggesting we delete that assess the --

22 CHAIR DEBORAH WOOLLEY: I agree.

23 FACILITATOR LIZ UPCHURCH: Is
24 everybody okay with that?

25 MR. MITCH JONES: It's said on down.

1 FACILITATOR LIZ UPCHURCH: Thumbs up
2 on that?

3 MR. RON FUGATT: I still have a
4 comment or a question.

5 FACILITATOR LIZ UPCHURCH: Ron.

6 MR. RON FUGATT: Well, I've got a
7 question. You know, we mentioned earlier that -- and
8 I think Mitch alluded to it, and maybe we didn't go
9 through the details of this, but making an assumption
10 that the rents were \$2 million a year and that was
11 part of -- some part of Bruce's budget. I don't know
12 what part it was. I don't know whether that's part
13 of this 7 to \$10 million or no.

14 Was it?

15 MRS. JEAN ELMORE: That's extra.

16 MR. RON FUGATT: All right. Then we
17 will go back -- I will just -- you're digging your
18 hole now. Okay.

19 So this 10 to 11 billion that was part
20 of Bruce's doing the river operations, all of a
21 sudden there's 2 million of that -- because you have
22 gone from 2 million rent to 4 million rent, there's
23 2 million of that as offset, where does that money
24 go?

25 DFO ANDA RAY: The general fund.

1 MR. MITCH JONES: General fund.

2 DFO ANDA RAY: He doesn't --

3 MR. RON FUGATT: To be appropriated,
4 to be budgeted?

5 DFO ANDA RAY: Right.

6 MR. RON FUGATT: Okay. We can't
7 designate it, right?

8 DFO ANDA RAY: Well, that could be a
9 recommendation.

10 MR. RON FUGATT: Well, I think we
11 should. I think that's where Mitch was headed.

12 Right, Mitch?

13 MRS. JEAN ELMORE: That's what I was
14 talking about, too.

15 MR. MITCH JONES: Boy, Ron, you --
16 sorry. Ron, you're dead on the button. You just
17 stole the thunder.

18 FACILITATOR LIZ UPCHURCH: Okay. So,
19 Ron, are you suggesting that we go back to that
20 assess bullet and say, the recommendation you're
21 making is for the revenue from rents to go back into
22 that program -- program's budget?

23 MR. RON FUGATT: No.

24 FACILITATOR LIZ UPCHURCH: What were
25 you saying?

1 MR. RON FUGATT: What I said was
2 increased rents due to these new agreements, whatever
3 that is, it goes in to add on to the amount that's
4 being spent now on the NRP covered items.

5 MRS. JEAN ELMORE: Right.

6 FACILITATOR LIZ UPCHURCH: Okay. So
7 you're suggesting that we should say, use any
8 additional revenue from recreation rents to go back
9 into NRP funded activities?

10 MR. PAUL SLOAN: Use all revenues.

11 FACILITATOR LIZ UPCHURCH: Use all
12 revenues.

13 MR. RON FUGATT: No. I mean, they
14 have a certain expense that they -- and they had a
15 certain thing they were budgeting and everything. I
16 am talking about additional right now because that is
17 additional funds.

18 FACILITATOR LIZ UPCHURCH: In lieu of
19 it going to the general fund?

20 MR. RON FUGATT: Correct.

21 FACILITATOR LIZ UPCHURCH: Into NRP
22 programs, I think, is that -- does that get you --
23 what you were -- use any additional revenue from
24 recreation rents to go back into NRP programs?

25 Okay. And then we have Mark.

1 MR. MARK IVERSON: Just a point of
2 clarity. I thought I heard yesterday in this
3 question about the rents that the increase in rents
4 was intended to recover the cost of enforcement of
5 these properties that was essentially not being --
6 was undercollected and that the net sum at the end of
7 the day when you take the new rent structure against
8 the cost for that program you had a net zero. Did I
9 miss that or was that --

10 FACILITATOR LIZ UPCHURCH: Bruce is
11 going to address that.

12 MR. BRUCE SCHOFIELD: Actually, what
13 it does is the rent structure and the fees that we're
14 using for the commercial rents are designed to
15 reimburse the citizens of the United States for
16 private use of public lands for a profit venture, and
17 we do that in a percentage of gross or a fair market
18 value calculation to go do that.

19 It's -- now, that revenue goes back
20 into TVA's general fund. Now, it's not earmarked for
21 that, but it does go to offset the A&G costs that go
22 to enforcement, go into regulation aspects of it, and
23 basically offset any needed increase to the rate
24 base.

25 So it all comes back into the rates,

1 but it's not -- at this time not specifically
2 earmarked to go back into something that affects the
3 Natural Resource Plan.

4 MR. MARK IVERSON: But I thought I
5 heard yesterday that the additional revenues were
6 offsetting the costs of running the program.

7 MR. BRUCE SCHOFIELD: Well, there will
8 be enough revenue there, but from an accounting
9 standpoint it goes back into the general fund to do
10 that.

11 Yes, we will generate that revenue,
12 that revenue will go back into TVA's general fund,
13 which when we factor into the budgets that are set
14 from our organization and other organizations that
15 are affected by the Natural Resource Plan, we
16 generate additional revenue to TVA to help fund that
17 aspect of it.

18 DFO ANDA RAY: And Mark, what you may
19 be familiar with is the revenue calculations for
20 TVA's rate base, which is based on cost. This is
21 based on the market value of the land. So it does
22 exceed TVA's cost which were not being covered
23 before.

24 FACILITATOR LIZ UPCHURCH: Thank you.
25 And Deb, did you have a point?

1 CHAIR DEBORAH WOOLLEY: Yeah. I'm --
2 and Anda, you tell me because what we're trying to do
3 is provide advice that, I think, gives some value to
4 the staff to make the case to do what we want to do.

5 I feel like we're getting down into
6 line items in the budget and we're starting to direct
7 where money could go. And yeah, we can say that rent
8 money should go in and they can say, fine, well,
9 here's 2 million rent money in, but I will have to
10 give you 2 million less out of the general fund.

11 So I kind of wanted to get back up, I
12 think, to where Jean was with, let's look at existing
13 and additional revenue possibilities and how they can
14 be utilized back into the program, else I feel like
15 we're dictating a budget.

16 MRS. JEAN ELMORE: And they are not
17 going to look kindly on that.

18 CHAIR DEBORAH WOOLLEY: Nor would I if
19 somebody dipped into my budget.

20 FACILITATOR LIZ UPCHURCH: So I think
21 we're back -- we're still at the point of, do we
22 want to -- are you suggesting that we take off this
23 use-additional-revenues bullet? Do you want to
24 delete that one?

25 CHAIR DEBORAH WOOLLEY: I'm trying to

1 combine it with --

2 FACILITATOR LIZ UPCHURCH: Combine it
3 with Jean's?

4 CHAIR DEBORAH WOOLLEY: -- additional
5 and existing revenue, kind of put that one and Jean's
6 into a -- maybe a 10,000 foot level instead of a
7 1,000 foot level.

8 FACILITATOR LIZ UPCHURCH: Yeah.
9 Okay. So here's Jean's bullet, look at our resources
10 to determine if there are any other places where
11 income could come in that would help offset cost for
12 other programs, and really that could possibly
13 encompass Ron's point.

14 So would everyone be okay if we kept
15 this one, delete the other one with the intent that
16 we know we're going to look far and wide?

17 Is that a thumbs up for people?

18 MR. RUSSELL TOWNSEND: I love that
19 idea.

20 MR. MITCH JONES: Love that idea.

21 FACILITATOR LIZ UPCHURCH: Okay. So,
22 Carla, we're going to delete that top one and keep
23 the bottom one?

24 Okay. What was our --

25 CHAIR DEBORAH WOOLLEY: Could we see

1 the bottom one again now?

2 FACILITATOR LIZ UPCHURCH: Oh, yeah.
3 Oh. Let's see. Can you go down a little bit?

4 CHAIR DEBORAH WOOLLEY: Right there.

5 FACILITATOR LIZ UPCHURCH: That's
6 Jean's bullet there, look at our resources, that's
7 the one we're keeping.

8 And did you already get rid of the
9 other one?

10 Okay. Can you go back up to where we
11 were where you deleted the other one?

12 Okay. So we got consensus on that, I
13 think. The next one is, work to convince the public,
14 TVA Board, and ratepayers that this is a good
15 expenditure.

16 MRS. RENEE HOYOS: I don't think that
17 should go to the Board.

18 FACILITATOR LIZ UPCHURCH: You
19 don't -- like you don't want to --

20 MRS. RENEE HOYOS: No. I think that's
21 to the staff. I don't want them to see that.

22 FACILITATOR LIZ UPCHURCH: Do
23 you-all -- does everybody agree with a thumbs up to
24 remove that one?

25 Yes. So delete that one.

1 The next one is, use economic benefit
2 and goodwill to justify additional spending over what
3 is required or custodial.

4 MRS. RENEE HOYOS: I think that's been
5 said.

6 CHAIR DEBORAH WOOLLEY: Yeah, I think
7 it's been said, too.

8 FACILITATOR LIZ UPCHURCH: Are you
9 suggesting that we remove this one or just leave --

10 MR. MITCH JONES: It's been said.

11 FACILITATOR LIZ UPCHURCH: It's been
12 said. So --

13 MR. MITCH JONES: Delete.

14 FACILITATOR LIZ UPCHURCH: -- delete
15 it. Everybody okay with deleting? Okay. So delete
16 that one.

17 Demonstrate the amount of value that
18 some programs can provide. Have a value statement
19 based on environmental policy. Spend on what we
20 value.

21 Is that one okay to keep? A thumbs
22 up? Thumbs up? Okay. We're good on that one, I
23 think.

24 Define -- let's see. Okay. Look at
25 our resources to determine if -- I think we're okay

1 with that one.

2 CHAIR DEBORAH WOOLLEY: The only thing
3 I might add to that is not only look at other incomes
4 but the existing incomes --

5 FACILITATOR LIZ UPCHURCH: Okay.

6 CHAIR DEBORAH WOOLLEY: -- because
7 they may not be being used in the way you want them
8 to be used.

9 FACILITATOR LIZ UPCHURCH: Existing
10 and other -- and other resources.

11 CHAIR DEBORAH WOOLLEY: Look at
12 resources to determine if there are any --

13 MRS. JEAN ELMORE: Look at all
14 resources.

15 CHAIR DEBORAH WOOLLEY: Look at all
16 resources.

17 MR. PAUL SLOAN: Look at our natural
18 resources.

19 CHAIR DEBORAH WOOLLEY: Look at
20 natural resources for existing and new revenue
21 opportunities.

22 FACILITATOR LIZ UPCHURCH: Okay. So
23 look at natural resources for existing and new
24 revenue opportunities.

25 CHAIR DEBORAH WOOLLEY: To be returned

1 back into -- do we want to say to be returned back
2 into the programs or --

3 FACILITATOR LIZ UPCHURCH: To help
4 offset cost for programs. Okay. So look at natural
5 resources for existing and new revenue opportunities
6 to determine if there are any other -- if there is
7 any other places to help offset costs for their
8 programs or if there is any other mechanisms to help
9 offset cost for programs.

10 CHAIR DEBORAH WOOLLEY: I would say
11 to --

12 FACILITATOR LIZ UPCHURCH: You would
13 say what?

14 CHAIR DEBORAH WOOLLEY: Look at
15 natural resources for existing and new opportunities
16 to support natural resource programs.

17 MRS. JEAN ELMORE: Yeah, to just
18 support natural resource programs, right, that would
19 cover it.

20 FACILITATOR LIZ UPCHURCH: Okay. So
21 look at natural resources for existing and new
22 revenue opportunities to support natural resource
23 programs. Do we have a thumbs up on that?

24 MR. RON FUGATT: I don't understand
25 look at natural resources to support natural

1 resources. I would say look at other revenue
2 existing in other revenue sources.

3 MRS. JEAN ELMORE: Look at all
4 resources.

5 FACILITATOR LIZ UPCHURCH: Okay. Look
6 at all -- so instead of natural we want to say all
7 resources, does that fix the problem?

8 MR. MITCH JONES: Yes, it does.

9 FACILITATOR LIZ UPCHURCH: Thumbs up
10 on that one now? Are we okay? Okay. Great.

11 The next one, define what we need and
12 look at the numbers. Don't be intimidated by the
13 numbers but look for creative sources of funding.
14 Also look at the risks considered about funding or
15 not funding. Remember that this is a strategic level
16 plan.

17 MR. RUSSELL TOWNSEND: I think we need
18 that.

19 FACILITATOR LIZ UPCHURCH: You want to
20 keep it. Okay.

21 MRS. RENEE HOYOS: I think we have
22 said the first two sentences already, but we should
23 definitely keep the last two sentences because the
24 one above doesn't mention risk or the fact that it's
25 a plan.

1 Does that make sense?

2 FACILITATOR LIZ UPCHURCH: Okay. So
3 you're suggesting that we delete --

4 MRS. RENEE HOYOS: The first two
5 sentences and then --

6 FACILITATOR LIZ UPCHURCH: -- the
7 first two sentences?

8 MRS. RENEE HOYOS: -- add the last two
9 sentences to the one above.

10 FACILITATOR LIZ UPCHURCH: To
11 literally the bullet right above it?

12 MRS. RENEE HOYOS: Yeah.

13 FACILITATOR LIZ UPCHURCH: Is
14 everybody okay with that? So that's now combined to
15 one bullet. Look at all resources --

16 MR. TOM LITTLEPAGE: We lost the
17 bullet there.

18 CHAIR DEBORAH WOOLLEY: Yeah. I think
19 that needs to be a bullet by itself.

20 MRS. RENEE HOYOS: Okay.

21 FACILITATOR LIZ UPCHURCH: So thank
22 you. So is this okay as is, also look for the -- at
23 the risks considered about funding or not funding.
24 Remember that this is a strategic level plan.

25 MR. MARK IVERSON: Are those two

1 separate thoughts, risks, you know, the risk issues
2 and then the strategic plan?

3 FACILITATOR LIZ UPCHURCH: Do you want
4 to separate those into two bullets?

5 MR. MARK IVERSON: I'm just posing the
6 question.

7 FACILITATOR LIZ UPCHURCH: Sure.
8 Okay. So I think separate into two. Then how about
9 that, does that feel okay for everybody?

10 MRS. RENEE HOYOS: I think delete
11 also. Sorry.

12 FACILITATOR LIZ UPCHURCH: We are
13 almost through. I know everybody is -- it looks like
14 you're ready for a break. We've just got a few more
15 to go.

16 So for those two bullets, look at the
17 risks and remember that this is a strategic level
18 plan, is everybody a thumbs up on those two? Is that
19 all right?

20 Okay. Clear vision of being at the
21 top and looking at the value of natural resources,
22 also to the other missions and things that do not
23 have an obvious value, probably have a clear vision.
24 How about -- is that one still good? Is everybody
25 okay with that one? Thumbs up?

1 CHAIR MR. TOM LITTLEPAGE: When it
2 says not have an obvious value, did they mean not
3 have an economic value?

4 MR. RUSSELL TOWNSEND: An obvious
5 economic value. I mean, the obvious value is true, I
6 mean, whether it's economic or otherwise. In some
7 things the value is hidden because people want to
8 equate a dollar sign to it.

9 CHAIR DEBORAH WOOLLEY: I think that
10 was mine. I was trying to say three things there.
11 One was a clear vision. One was to look at all of
12 the values which could be economic or not. The other
13 was to look outside the natural resource silo to the
14 integrated TVA so that there's value into economic
15 development, into providing power, navigation, some
16 of the other missions of the Agency.

17 MR. TOM LITTLEPAGE: I think we can
18 put economic back.

19 FACILITATOR LIZ UPCHURCH: Yeah. Keep
20 economic but then -- so does this -- we say the other
21 missions, I think what your intent was the other TVA
22 missions, do we want to say TVA missions or do you
23 want to -- is it okay the way it is?

24 CHAIR DEBORAH WOOLLEY: What if you
25 put a period after natural resources and then say

1 relate it to the other missions and areas that do not
2 have an obvious economic value?

3 FACILITATOR LIZ UPCHURCH: So relate
4 it to the other missions and areas that do not have
5 an obvious economic value.

6 CHAIR DEBORAH WOOLLEY: As opposed to
7 things.

8 FACILITATOR LIZ UPCHURCH: Okay. So
9 we relate it to other --

10 MR. RANDY MCADAMS: One mission but it
11 has elements in it.

12 FACILITATOR LIZ UPCHURCH: Relate it
13 to other --

14 CHAIR DEBORAH WOOLLEY: Or to the
15 total mission.

16 FACILITATOR LIZ UPCHURCH: The total
17 mission.

18 CHAIR DEBORAH WOOLLEY: Other elements
19 of the mission.

20 FACILITATOR LIZ UPCHURCH: Relate it
21 to the total mission.

22 Okay. How about -- does it look okay
23 now?

24 We have got clear vision at being at
25 the top and looking at the value of natural

1 resources. Relate it to the total mission and areas
2 that do not have an obvious economic value?

3 How is that? Is everybody a thumbs up
4 on that?

5 MRS. RENEE HOYOS: What does being at
6 the top mean?

7 CHAIR DEBORAH WOOLLEY: That was --
8 that was when I was saying that to me on a strategic
9 plan when you go in you have to have an aspiration or
10 a vision of always going for the best because if you
11 go in with an option to be at the bottom, that's
12 exactly where you will end up.

13 MRS. RENEE HOYOS: Right. Oh, I see.
14 Okay.

15 CHAIR DEBORAH WOOLLEY: There might be
16 a better way to say it. Aspiration is --

17 MR. TOM LITTLEPAGE: How about being
18 the leader?

19 CHAIR DEBORAH WOOLLEY: Yeah. Or an
20 aspiration.

21 MRS. RENEE HOYOS: Being the leader.
22 Being the best.

23 FACILITATOR LIZ UPCHURCH: Being the
24 best, is that okay with everybody? So a thumbs up
25 now? Okay. Any thumbs down?

1 Everybody is ready for a break. Okay.

2 Let's see. Define the economic
3 benefits for the Valley, we may have already said
4 that one before. Do we want to keep this one still
5 or potentially delete it? Just keep it.

6 MR. MITCH JONES: It'd make it bold
7 and underlined.

8 CHAIR DEBORAH WOOLLEY: I would, too.

9 MR. MITCH JONES: I would bold it and
10 underline it.

11 MR. RUSSELL TOWNSEND: And a little
12 redundancy doesn't hurt. Sometimes it reinforces
13 concepts.

14 FACILITATOR LIZ UPCHURCH: So it
15 sounds like we want to emphasize this one by, I
16 guess, bolding it and underlining. Then is everybody
17 okay with that one? A thumbs up on this one?

18 Okay. Make one recommendation to the
19 Board, is everybody okay with that one?

20 MRS. RENEE HOYOS: I think that's a
21 charge to the staff. I think it's important, I don't
22 think we should lose it, but I don't know that --

23 MR. PAUL SLOAN: That's not to the
24 Board.

25 CHAIR DEBORAH WOOLLEY: I would lose

1 that.

2 FACILITATOR LIZ UPCHURCH: So are
3 you-all suggesting to delete that one? So delete
4 that one. Okay.

5 I think that is the last bullet. Go
6 ahead.

7 MR. PAUL SLOAN: Just one possible
8 thumbs up or thumbs down, we don't -- it's the health
9 of the resource. I would suggest at least trying,
10 assess the health of the resources. And where those
11 resources are currently healthy, preserve them.
12 Where they are impaired, restore and preserve them.

13 FACILITATOR LIZ UPCHURCH: So assess
14 the health of the resources. Where they are healthy,
15 preserve them. Where they are impaired, restore
16 them.

17 MR. PAUL SLOAN: Yes.

18 FACILITATOR LIZ UPCHURCH: Is
19 everybody okay with that? Thumbs up? Is everybody
20 okay? All right.

21 Great. Thank you-all.

22 And I think what we would like to do,
23 if everybody is okay with this, is take about a
24 ten-minute break. We're getting a little bit short
25 on time. Does that seem okay?

1 A ten-minute break. So I've got about
2 10:22 on my watch. So let's really try to get back
3 here about 10:30, 10:35 at the latest and get
4 rolling. We've got three more questions to go. We
5 will try to go fast on them.

6 (Brief recess.)

7 CHAIR DEBORAH WOOLLEY: We're doing a
8 count. Beth, we're good. Okay. We have got 11. So
9 we can get started.

10 We have got people who have to leave
11 starting at 11:30. So we have to reach all of our
12 consensus before then or we are going to have to stop
13 because we will get low on the numbers.

14 Also, if you want to get out the door
15 and still be semi-alive, Kim is going to get you. We
16 can only speak when we raise our tents up. Wait
17 until you're called on because we're getting some
18 overlapping comments that are making it very hard for
19 her to get an accurate public record.

20 We have got three questions to go. I
21 was going to suggest that the first thing we do is,
22 Liz, look at those and see if we need to keep three
23 questions, whether some of those questions can be
24 combined based on some of the other things we've
25 answered, and then let's try to limit ourselves to

1 about 15 minutes. I know that all comes with each of
2 us being a little more brief than I have been or
3 anybody else.

4 FACILITATOR LIZ UPCHURCH: Right. And
5 I think, Carla, are you ready to roll on — you have
6 got the — okay. So we have — as Deb said, we do
7 have three questions right now.

8 I know one point that Kelly had
9 before — after the last break, if we can just have
10 one final vote on that first set of bullets that we
11 went through and thumbs upped on, let's just make
12 sure that we're all in agreement that that — that
13 all the answers to question one everybody is still
14 good with, if we could have just a final thumbs up on
15 that, that we're all in consensus. It looks like we
16 do have a consensus on that. So thank you.

17 So the last three questions that we
18 have for today, I might consider that we would —
19 well, the first is about the — consider you're a
20 news reporter charged with writing a story on the
21 draft Natural Resource Plan. What challenges or
22 difficulties would you point out?

23 The second one is that same lead-in
24 but looking at what benefits or values would you
25 point out.

1 And then the last question is what --
2 which high priority programs, if any, should be added
3 or removed?

4 I might suggest that we just kind of
5 quickly go through the challenges and benefits and
6 then go through -- excuse me, the challenges or
7 difficulties and then go benefits, values, and then
8 quickly do the high priority programs.

9 Does that seem okay with everybody?

10 And I am going to be a little bit more
11 narrowing us down on our discussions because we have
12 got to move through these. So I'm sorry about that.

13 Yes, Deb.

14 CHAIR DEBORAH WOOLLEY: And what I
15 would suggest is we do this, Liz, is let's do
16 challenges and then let's do opportunities, let's --
17 you know, let's try to group them as we go instead of
18 bouncing all over the place.

19 FACILITATOR LIZ UPCHURCH: Okay.
20 Okay. So we will start off with challenges.

21 Oh, yes.

22 MR. BRUCE SCHOFIELD: Just --

23 CHAIR DEBORAH WOOLLEY: For the
24 record.

25 MR. BRUCE SCHOFIELD: -- for the

1 record, Bruce Schofield is sitting in for Anda Ray as
2 Designated --

3 FACILITATOR LIZ UPCHURCH: Designated
4 Officer.

5 MR. BRUCE SCHOFIELD: -- Federal
6 Officer.

7 FACILITATOR LIZ UPCHURCH: Okay.
8 Thank you.

9 Ron, did you have a quick point?

10 MR. RON FUGATT: Well, I thought we
11 would take this recap and just number which one of
12 those questions to answer and then we would sure shut
13 down a lot of conversation because we have most of
14 that.

15 MRS. JEAN ELMORE: Thumbs up.

16 FACILITATOR LIZ UPCHURCH: Okay. So
17 the suggestion is to take your day one recap items --
18 question one is talking about challenges and
19 difficulties. So I guess that would be a one next
20 to -- does anybody have an -- do y'all want to agree
21 with that approach also, first of all?

22 Okay. Why don't we actually -- why
23 don't we go through this list and just say what -- if
24 it's a challenge or a benefit, challenge, difficulty
25 or benefit value, does that work okay?

1 I'm looking at Deb, is that okay with
2 you?

3 CHAIR DEBORAH WOOLLEY: That's fine.

4 FACILITATOR LIZ UPCHURCH: Okay. So
5 the first one we have, explain program setup, would
6 you say that's maybe a challenge?

7 MR. RON FUGATT: Yes.

8 FACILITATOR LIZ UPCHURCH: Okay.
9 Quantify cost versus benefits?

10 MR. RON FUGATT: That's a benefit and
11 value.

12 CHAIR DEBORAH WOOLLEY: Challenge.

13 FACILITATOR LIZ UPCHURCH: It's a
14 benefit and a challenge maybe.

15 Hold on, Beth is having some --

16 CHAIR DEBORAH WOOLLEY: What you might
17 want to do is go back and put this one up and then
18 just mark them whether we're calling them challenges
19 or benefits because we're getting them as fast when
20 they go up.

21 FACILITATOR LIZ UPCHURCH: Carla, do
22 you have a -- you don't have that one? Okay. I
23 think they are going to try to load that up, and we
24 will go back through and let her know how we
25 designated these.

1 You have a hard copy. Will that
2 suffice, Beth, a hard copy that she's recording?

3 MS. BETH KEEL: As long as we can get
4 them under the right question terminology, that's
5 acceptable.

6 FACILITATOR LIZ UPCHURCH: Okay.
7 Actually, why don't you just type --

8 MS. CARLA WHITE: I can't type it
9 as -- challenges and difficulties, they are two
10 separate items?

11 MR. TOM LITTLEPAGE: Yes.

12 MS. CARLA WHITE: And then benefit
13 underneath?

14 FACILITATOR LIZ UPCHURCH: Yeah.
15 Let's do challenge and difficulty as one section, if
16 that's okay with everybody, and then we'll do a
17 benefit and value section?

18 MR. RON FUGATT: Well, this says
19 challenges are difficulties, I'm not sure we want to
20 be that definitive.

21 FACILITATOR LIZ UPCHURCH: Okay.
22 Challenge or difficulty.

23 MRS. JEAN ELMORE: Just a challenge.

24 MR. RON FUGATT: I don't -- this says,
25 what challenges or difficulties, and it looks to me

1 like you'd just capture all of those in there instead
2 of trying to separate challenges from difficulties.

3 FACILITATOR LIZ UPCHURCH: Right. So
4 you're suggesting we would lump that into challenge
5 or difficulty, one section.

6 Is everybody okay, we're just going to
7 make that one section? Okay.

8 Carla, I think what we should do is we
9 will read out the ones that are challenges or
10 difficulties from this list and you can record them.

11 So the first one we already said,
12 explain program setup, that's one that goes under
13 that category. And I think we actually said quantify
14 cost versus benefits will also be a -- that will be a
15 benefit, but it's also a challenge. So I think it
16 will be in both places, is that -- does everyone
17 agree with that?

18 Okay. Performance measures, is that a
19 challenge? Yes, that's a challenge, performance
20 measures.

21 Cost trending from appropriated
22 funding forward, is that a challenge or a difficulty
23 or is that more of a benefit or neither?

24 I'm not hearing --

25 CHAIR DEBORAH WOOLLEY: It's a

1 neither. I think it's really a process.

2 FACILITATOR LIZ UPCHURCH: It's a
3 process. Okay. So we will just not put that one
4 down as a challenge or benefit.

5 Risk analysis, if not done.

6 MR. MITCH JONES: That's a benefit.

7 FACILITATOR LIZ UPCHURCH: So we will
8 come back to that one.

9 Water quality prioritization where TVA
10 can impact 3 or 3D streams.

11 MR. PAUL SLOAN: Challenge.

12 FACILITATOR LIZ UPCHURCH: Okay. And
13 then Mark has a comment.

14 MR. MARK IVERSON: Just really a
15 question more than anything else. This list of
16 things that we have from this first day recap, are
17 these -- some of these items are going to be really
18 part of the -- are they things that need to be sort
19 of fixed and addressed and is that part of what we're
20 trying to ask in the question or are they going to be
21 a -- ultimately at the end of the day the Natural
22 Resource Plan will have these -- in its final form
23 have these challenges?

24 FACILITATOR LIZ UPCHURCH: And I will
25 just start to speak to this, I don't know if -- my

1 understanding is that this was a recap of some of the
2 key themes from the first day. I think --

3 MR. MARK IVERSON: Some of which, I
4 think, we just needed more clarity or would like to
5 have addressed in the plan.

6 FACILITATOR LIZ UPCHURCH: Okay. We
7 have Deb and then we have --

8 CHAIR DEBORAH WOOLLEY: Anda, do you
9 want to explain?

10 DFO ANDA RAY: Yeah. I just want to
11 say, it's the difficulties you see in the draft
12 Natural Resource Plan.

13 MR. RON FUGATT: Draft, it's the
14 draft.

15 DFO ANDA RAY: It's the draft. It's
16 the difficulties in the draft and you want it fixed.
17 It that what you're saying?

18 MR. RON FUGATT: (Moves head up and
19 down.)

20 FACILITATOR LIZ UPCHURCH: Okay. So
21 difficulties in --

22 CHAIR DEBORAH WOOLLEY: To me what
23 that's saying in the way you-all presented the
24 question is some of it may get fixed. Some of it is
25 simply a notice to them that this is going to raise

1 issues they need to be prepared to handle. It's
2 advice on how to proceed.

3 MR. RANDY MCADAMS: Thank you.

4 FACILITATOR LIZ UPCHURCH: Okay. I
5 think we said water quality prioritization where TVA
6 can impact, I think I heard challenge associated with
7 that one, is that -- do y'all agree with that as a
8 challenge?

9 Renee.

10 MRS. RENEE HOYOS: I think it's also a
11 benefit, too.

12 FACILITATOR LIZ UPCHURCH: Challenge
13 and benefit. TVA total funding level for NRP
14 implementation, is that appropriate or is it -- I
15 guess it --

16 MR. RON FUGATT: We spent an hour and
17 a half answering that one.

18 FACILITATOR LIZ UPCHURCH: Okay.
19 Delete that one. Okay.

20 Simplify, streamline NRP to improve
21 clarity, would we say that's a challenge?

22 MR. RON FUGATT: Challenge.

23 FACILITATOR LIZ UPCHURCH: Challenge.
24 Okay.

25 Increase focus on public outreach and

1 education.

2 MRS. JEAN ELMORE: Benefit.

3 FACILITATOR LIZ UPCHURCH: Benefit, is
4 that a benefit? Okay.

5 Incorporate recreation opportunities
6 throughout the NRP to reflect public scoping period
7 or maybe reflect the public scoping comments.

8 Renee.

9 MRS. RENEE HOYOS: I think that would
10 be a benefit.

11 FACILITATOR LIZ UPCHURCH: Benefit, do
12 people agree with benefit on that one? Do we want to
13 assign --

14 CHAIR DEBORAH WOOLLEY: Liz.

15 FACILITATOR LIZ UPCHURCH: Yes.

16 CHAIR DEBORAH WOOLLEY: I think on
17 that one it's a benefit and a challenge, it can go
18 either way, but I also think it's something that
19 needs to be said to the staff to determine the level
20 that it should be incorporated based on the mission
21 of what it's trying to do.

22 It's not trying to, Mitch, in any way
23 diminish it, but it's to recognize the
24 appropriateness of it within this plan versus
25 somewhere else.

1 FACILITATOR LIZ UPCHURCH: Okay. So
2 are you saying that the challenge is to determine the
3 level that recreation opportunities should be
4 included in the NRP?

5 CHAIR DEBORAH WOOLLEY: Again, the
6 question is if you were a reporter reading this draft
7 plan, and so I'm not sure whether -- if you're saying
8 if something should or should not be in there,
9 whether it's challenge or benefit, I'm not sure
10 that's --

11 FACILITATOR LIZ UPCHURCH: Maybe it's
12 not the right place. So it sounds like to me you're
13 saying --

14 CHAIR DEBORAH WOOLLEY: To me it's not
15 the right comment in the right place.

16 FACILITATOR LIZ UPCHURCH: -- it's not
17 the right comment to go as a challenge or a benefit.

18 Does everybody --

19 MR. RON FUGATT: And that's what I was
20 going to say.

21 FACILITATOR LIZ UPCHURCH: That's what
22 Ron is going to say.

23 MR. RON FUGATT: That doesn't -- that
24 wasn't even in the plan. So that's just an aside
25 over here.

1 FACILITATOR LIZ UPCHURCH: So that one
2 we are not including as a challenge or a benefit.

3 Renee, did you -- okay.

4 CHAIR DEBORAH WOOLLEY: But I do
5 think, Mitch, on what you said, if it's not explained
6 clearly -- and I think we found one little sentence
7 in there about where it wasn't, if it's not explained
8 clearly, then it becomes a challenge because people
9 are going to be asking the same questions. So that
10 comes back to that clarity.

11 FACILITATOR LIZ UPCHURCH: Okay.
12 Which I think we have -- well, we have -- we have
13 explained program setup as a challenge already.

14 Do you want to add clarity?

15 CHAIR DEBORAH WOOLLEY: I think it
16 incorporates that.

17 FACILITATOR LIZ UPCHURCH: Well -- and
18 then the next on here, clearly define implementation
19 approach, priorities, sequencing, cost, et cetera,
20 does anyone see that as a challenge?

21 Mitch, do you have --

22 MR. MITCH JONES: If I am a
23 believe-it-read-it kind of a reporter, that's the
24 very first question -- the top two questions I am
25 going to ask. So there needs to be a good focus on

1 this.

2 FACILITATOR LIZ UPCHURCH: On
3 implementation?

4 MR. MITCH JONES: Exactly. You better
5 be able to articulate --

6 FACILITATOR LIZ UPCHURCH: That's a
7 challenge, are you saying?

8 MR. MITCH JONES: You better be able
9 to articulate that. Also, if you say it right and
10 you tell your little reporter how you're going to do
11 it, it becomes a benefit.

12 FACILITATOR LIZ UPCHURCH: Okay. So
13 the challenge is in articulating that clearly, and
14 then there will also be a benefit associated. We
15 will come back around to that.

16 Deb.

17 CHAIR DEBORAH WOOLLEY: I think -- I
18 think, again, we're getting back to what this plan is
19 supposed to have in it and if it is not -- if the --
20 if it's a 20-year road map, it may not have clear
21 implementation dates. It may not have, you know,
22 firm costs associated to it.

23 So it gets back not only to the fact
24 that would be the first question but that gets back
25 to the clarity of how you present it so that you

1 understand what it is.

2 FACILITATOR LIZ UPCHURCH: What would
3 your -- do you have a bullet that you would put up
4 here that reflects that?

5 CHAIR DEBORAH WOOLLEY: No. I'm
6 just -- I'm just -- I guess where I am is I am a
7 little bit concerned when we do something like that
8 or something else that's not in the plan that we're
9 saying it should -- if it's not in the plan it's a
10 deficit and I'm saying maybe --

11 FACILITATOR LIZ UPCHURCH: The plan is
12 high level and -- or kind of high level and so
13 there's not going to be complete detail for -- is
14 that kind of the direction you're going in or can
15 you --

16 CHAIR DEBORAH WOOLLEY: No.

17 FACILITATOR LIZ UPCHURCH: Do you want
18 to take that one off, is that what you're -- as a
19 challenge?

20 CHAIR DEBORAH WOOLLEY: Again, I think
21 the challenge -- if the plan is not supposed to have
22 clear implementation goals and it's not supposed to
23 have clear budget goals, then the challenge is
24 presenting the plan in the way that the expectation
25 is not there for those and that -- that can come

1 either with having an implementation plan that's
2 going to follow it on an annual basis or something
3 within this.

4 But I think you're right, I think the
5 first thing people are going to do is look at it and
6 say, okay, where's the first date that every river is
7 going to be, you know, flagship standard, and I'm not
8 seeing that that's what we're trying to do with this.

9 FACILITATOR LIZ UPCHURCH: So are --
10 it sounds like you're saying the challenges that the
11 plan --

12 CHAIR DEBORAH WOOLLEY: The
13 expectations of the plans and what the plan is
14 delivering have --

15 FACILITATOR LIZ UPCHURCH: Yes.

16 CHAIR DEBORAH WOOLLEY: -- got to be
17 clearly defined and explained.

18 FACILITATOR LIZ UPCHURCH: So clearly
19 defining the expectation of the plan?

20 CHAIR DEBORAH WOOLLEY: Or purpose.

21 FACILITATOR LIZ UPCHURCH: And purpose
22 of the plan.

23 CHAIR DEBORAH WOOLLEY: I don't know.

24 FACILITATOR LIZ UPCHURCH: Does
25 that --

1 MR. PAUL SLOAN: As I read this,
2 clarify and define the implementation approach, it
3 would strike me that once the plan is adopted that
4 it -- question B is, does the plan have in it a --
5 the implementation approach which would say, for
6 example, upon adoption this process or this approach
7 will be taken towards the implementation, which would
8 be the convening staff and those sorts of things to
9 develop the implementation of the plan.

10 So I think -- and I don't -- I did not
11 see in the draft, I think it's a good idea, to have
12 some discussion of the implementation approach as
13 opposed to, you know, you can't -- you're not going
14 to develop the plan but the approach that we will be
15 taking in the -- in the -- are you going to
16 benchmark, you know, those sorts of things.

17 FACILITATOR LIZ UPCHURCH: So it
18 sounds like -- are you saying that we would put up
19 here have an implementation component?

20 MR. PAUL SLOAN: Yes. Or at least
21 have a discussion of the implementation approach that
22 will be taken once adopted.

23 FACILITATOR LIZ UPCHURCH: Okay. So
24 discuss implementation approach upon adoption, is
25 that --

1 CHAIR DEBORAH WOOLLEY: And then that
2 approach would take in priority and sequencing costs,
3 how the Agency would go about doing all of that,
4 whether it's on an annual basis or a semi-annual,
5 five year, I don't know.

6 FACILITATOR LIZ UPCHURCH: Okay.

7 DFO ANDA RAY: You would say here's
8 the --

9 MR. RON FUGATT: Are we going to go in
10 order here or are we --

11 DFO ANDA RAY: I'm sorry, Ron. Go
12 ahead.

13 MRS. RENEE HOYOS: Yeah.

14 MR. RON FUGATT: I think she's over
15 here.

16 FACILITATOR LIZ UPCHURCH: Renee.
17 Okay. Sorry.

18 MRS. RENEE HOYOS: Yeah. I am having
19 a really hard time with this exercise because I feel
20 like this plan is really incomplete and that we
21 identified a lot of things yesterday that are
22 confusing. So I hope that what we're not doing is
23 trying to justify this in its current form.

24 I would like to see another version
25 and then do an exercise like this so we can better

1 understand what we have to justify, things that we
2 know we're not going to be able to answer right now
3 in the next couple of years. So I am having kind of
4 a hard time because I would like to see another draft
5 before we -- before we present this to the Board.

6 FACILITATOR LIZ UPCHURCH: Okay. And
7 Ron.

8 MR. RON FUGATT: My comment was is
9 this was a way to try to capture the idea that this
10 20-year -- quote, 20-year plan, doesn't have any
11 timing, it doesn't have anything in it, and I'm not
12 too sure we captured it with that statement but that
13 was the intention of that statement was to capture
14 that and some other things.

15 And I think definitely, as far as
16 clarity or challenges, that's one of the things that
17 the draft needs to consider or at least the final one
18 needs to consider is if it's going to be a 20-year
19 plan, what is the plan?

20 FACILITATOR LIZ UPCHURCH: Okay. So
21 you're saying the challenges -- it's a 20-year plan
22 but there's not really a time line in there, is that
23 what --

24 MR. RON FUGATT: I think that's what
25 this clearly define implementation approach with

1 priorities was a rewording of that and maybe some
2 other points we made.

3 FACILITATOR LIZ UPCHURCH: Does that
4 help everybody to get that point there?

5 Okay. Then I think Mitch had his card
6 up next.

7 MR. MITCH JONES: Anda, if you have a
8 reporter come up to you, you and Bruce, that's what
9 you're attempting. This is a draft plan. It's going
10 to take six more weeks or so to get squared away.

11 But in the interim somebody is going
12 to come up and stick a microphone in your face and
13 say (unintelligible), answer the question. So from
14 our perspective, I mean, generally what would be --
15 if I may, what would be your answer here? This is
16 what we're working on, what you would say? It's in
17 the form of a question. What would you say to this
18 answer, if I may?

19 DFO ANDA RAY: I would say that this
20 plan is not ready, that based on the input that we
21 have gotten from the stakeholder group and the public
22 that there are major components, and the major
23 components are the ones you have up here.

24 MR. MITCH JONES: There you have it.
25 Well said.

1 FACILITATOR LIZ UPCHURCH: Okay.

2 CHAIR DEBORAH WOOLLEY: Let me --

3 FACILITATOR LIZ UPCHURCH: Yes, Deb.

4 CHAIR DEBORAH WOOLLEY: And if -- and

5 since I'm going to be the reporter I used to be, my

6 follow-up question would be, when this plan is

7 complete will it have implementation deadlines,

8 priorities, numbers, budgets associated with it?

9 Because you're going to create an expectation.

10 DFO ANDA RAY: And the answer will be

11 that the approach for designing -- developing an

12 implementation plan will be defined, but the actual

13 implementation aspects will be in an implementation

14 plan, not the NRP.

15 MR. MITCH JONES: There it is.

16 CHAIR DEBORAH WOOLLEY: There's your

17 answer.

18 FACILITATOR LIZ UPCHURCH: And it

19 looks like -- I'm not sure if Mark or Renee came up

20 next. Have you been waiting for a while, Mark? Go

21 ahead.

22 MR. MARK IVERSON: I'd pick up where

23 Renee left off, I think that's exactly right. I

24 think the things that we have identified day one and

25 we are reiterating here are the problems with this in

1 its current form, where it needs more stuff and more
2 work to it.

3 This exercise will probably be
4 beneficial in its next form because I think you're
5 going to find that there are another set of
6 challenges with respect to, okay, now that you have a
7 cleaned-up version of the NRP, for example,
8 communication, I think it's going to be a challenge
9 for staff to communicate a concise plan and all of
10 the -- and all that that means.

11 FACILITATOR LIZ UPCHURCH: So
12 challenge, do we want to put that up here?

13 MR. MARK IVERSON: No, I don't want to
14 put that up there, but that's -- I think to enforce
15 what Renee was saying, you know, I think this
16 exercise is fine to try to identify the things that
17 need to be addressed in here, but I think maybe there
18 will be another level of maybe going through this
19 exercise again to --

20 FACILITATOR LIZ UPCHURCH: Okay.

21 MR. MARK IVERSON: -- talk about the
22 challenges.

23 FACILITATOR LIZ UPCHURCH: And then we
24 have Renee and then Deb, and I think we need to also
25 keep kind of moving forward to get through

1 everything.

2 Go ahead, Renee.

3 MRS. RENEE HOYOS: And I did
4 understand your response to the follow-up question,
5 but I guess I just want to reiterate that I think the
6 plan that goes to the Board needs to have a time line
7 of some sort and numbers. It must have something.

8 It will have those things, right?

9 FACILITATOR LIZ UPCHURCH: Anda, do
10 you want to respond to that one?

11 DFO ANDA RAY: Our TVA Board is
12 looking at a strategic policy level document. They
13 will ask for input but they will not approve the
14 implementation plan, that will be TVA management.

15 MRS. RENEE HOYOS: I realize that, but
16 I think what needs -- I think what needs to go to the
17 Board is this like this plan is going to cost X
18 amount of money and we are going to implement these
19 things over time.

20 DFO ANDA RAY: It will be like look at
21 the IRP, it will say the range of costs could be from
22 here to here and the range of options could be here
23 to here.

24 MRS. RENEE HOYOS: Okay. All right.

25 FACILITATOR LIZ UPCHURCH: Deb.

1 CHAIR DEBORAH WOOLLEY: I think in
2 doing this process I think it -- you know, when we
3 see another version in this process we will have
4 different responses, but right now our responses are
5 giving direction to the staff on how to improve this
6 version on what they bring back to us, to minimize
7 that. So I think we need to go through it, but I
8 think quickly, knowing that it's not the final,
9 that's why we're getting --

10 FACILITATOR LIZ UPCHURCH: Right.

11 CHAIR DEBORAH WOOLLEY: -- back
12 together --

13 FACILITATOR LIZ UPCHURCH: Right.

14 CHAIR DEBORAH WOOLLEY: -- in June.

15 FACILITATOR LIZ UPCHURCH: So can
16 everybody just take a look at what we have up here as
17 challenges now?

18 I think we actually have a pretty good
19 set of things that you guys have already defined. We
20 have got explain program setup. We have quantify
21 cost versus benefits. We have performance measures.
22 The water quality prioritization where TVA can
23 impact. Simplify, streamline the NRP to improve
24 clarity. Discuss implementation approach. Clearly
25 define the purpose of the plan.

1 Does anybody else have anything that
2 they would add as a challenge or difficulty?

3 MRS. RENEE HOYOS: I think the last
4 one highlight current -- did we decide on that one,
5 the last one, highlight current TVA program
6 activities?

7 FACILITATOR LIZ UPCHURCH: Yeah, we
8 did not discuss that one. Okay. Do you want to add
9 that?

10 MRS. RENEE HOYOS: Well, yeah, I guess
11 that's a challenge and a benefit. I mean, I think we
12 need to know where we're at and how this improves
13 where we're at or if it detracts from where we're at
14 at this point.

15 FACILITATOR LIZ UPCHURCH: So
16 knowing -- rephrase what you would put up there.

17 MRS. RENEE HOYOS: So you would know
18 exactly where we're starting from. We don't know
19 exactly where we're starting from with these
20 programs.

21 FACILITATOR LIZ UPCHURCH: So a
22 challenge is not -- at least of this draft is not
23 knowing the starting point but what you're
24 suggesting --

25 MRS. RENEE HOYOS: Yes.

1 FACILITATOR LIZ UPCHURCH: Not
2 knowing the current --

3 MRS. RENEE HOYOS: Yeah.

4 CHAIR DEBORAH WOOLLEY: The challenge
5 is creating a baseline --

6 MRS. RENEE HOYOS: Yeah.

7 CHAIR DEBORAH WOOLLEY: -- which you
8 measure going forward?

9 MRS. RENEE HOYOS: Right.

10 FACILITATOR LIZ UPCHURCH: Okay. Can
11 you -- can you -- create a baseline, yeah. Then
12 would we just delete that last bit.

13 Does that -- so just create a
14 baseline, does that get it?

15 Okay. And what I would like to do
16 just to kind of move us forward on time, it's about
17 11:00 now, and I know we want to end at 11:30. So
18 can we take the full group of points because they are
19 pretty brief and do a thumbs up or a thumbs down or
20 have any discussion on them? Is everybody okay with
21 that?

22 Okay. So for that group as a whole on
23 the challenges, are you-all in a thumbs up point on
24 that? Yes. Okay.

25 Any thumbs down or further discussion?

1 Okay. So we're going keep that as it
2 is for challenges.

3 And now can we move on to thinking
4 about benefits or values, and I know we went through
5 and we also identified several things off this sheet
6 that we thought were benefits, too. We can go ahead
7 and -- yes, Paul.

8 MR. PAUL SLOAN: I hate to jump back,
9 but just one -- and maybe a thumbs up or thumbs down.
10 It's create the challenge being -- and maybe it --
11 it's creating the broad-base partnerships -- creating
12 broad-base partnerships contemplated in the plan.

13 FACILITATOR LIZ UPCHURCH: So adding a
14 bullet about partnerships is a challenge?

15 MR. PAUL SLOAN: Yeah. Partnerships
16 and collaborations among resource agencies in the
17 implementation of the plan, is that -- is that in the
18 spirit of --

19 CHAIR DEBORAH WOOLLEY: The -- yeah.

20 FACILITATOR LIZ UPCHURCH: Deb.

21 CHAIR DEBORAH WOOLLEY: I think the
22 challenge, remember, is we're saying if a reporter
23 read this what was the question, and so it's not the
24 challenges and implementation, it's challenges and
25 presentation, I think.

1 MR. PAUL SLOAN: Well, then maybe
2 that's a thumbs down.

3 CHAIR DEBORAH WOOLLEY: It's fine up
4 there to me.

5 FACILITATOR LIZ UPCHURCH: So I think
6 where we are, you're saying it's okay to add that
7 bullet from your perspective, and the bullet is
8 create broad-based partnerships could be seen as a
9 challenge, does that capture what you're saying,
10 Paul?

11 MR. PAUL SLOAN: That was a
12 suggestion.

13 FACILITATOR LIZ UPCHURCH: Okay. Is
14 everybody -- okay. So now we're back to this set of
15 challenges. We have added a bullet. Is everybody
16 still okay with this? A thumbs up? Any thumbs down?
17 Okay.

18 So we're going -- we're moving on.
19 Okay. So now the next set is looking at the benefits
20 and values. And just going back through this list as
21 we started off in the beginning, I know -- I think --
22 explain program set-up we determined was challenge,
23 but I think we did say that quantify cost versus
24 benefits could be seen as a -- yes.

25 CHAIR DEBORAH WOOLLEY: I will just

1 say briefly, in any strategic plan that if you have
2 challenges and you address them, most every
3 challenge, when addressed, becomes a benefit.

4 FACILITATOR LIZ UPCHURCH: So do we
5 want to say --

6 CHAIR DEBORAH WOOLLEY: I mean, it --

7 FACILITATOR LIZ UPCHURCH: --
8 addressed challenges will become benefits?

9 CHAIR DEBORAH WOOLLEY: But again, the
10 question is, if you were a reporter reading this,
11 what would you see as the benefits in it?

12 So to me what we're doing is providing
13 more guidance to the staff in how to present the plan
14 than -- whereas, the last discussion question that we
15 did before the break was into -- and yesterday was
16 what a -- what we're missing, what we think we need
17 to add, how it should be addressed.

18 I think now we're looking more at --
19 and Anda, help me on this, that we're looking at if I
20 am a reporter and I read this, all I'm going to
21 question is what's in here and not in here based on
22 what I'm reading, so what are the benefits and value
23 we see in here versus the challenges we just saw, is
24 that -- is that the expectation you want? Don't let
25 me put words in your mouth.

1 DFO ANDA RAY: I am thinking that
2 after hearing all of this, I don't know how much time
3 you want to spend on this, there's so much work to be
4 done, you know.

5 FACILITATOR LIZ UPCHURCH: Yes.
6 Renee.

7 MRS. RENEE HOYOS: Actually, we have
8 already got a lot of value statements from this
9 morning. I mean, I think we should just cut and
10 paste those. We did a lot of value work in the
11 earlier exercise.

12 FACILITATOR LIZ UPCHURCH: So it
13 sounds like you're -- okay.

14 CHAIR DEBORAH WOOLLEY: And I think
15 the absolute greatest value of this plan is that they
16 are doing it.

17 FACILITATOR LIZ UPCHURCH: Yeah.

18 MR. MITCH JONES: No question.

19 CHAIR DEBORAH WOOLLEY: I mean, this
20 is something we haven't done. This is --

21 FACILITATOR LIZ UPCHURCH: Yeah. So
22 do we want to say it's an unprecedented plan or
23 something along that line? Would you want to put
24 something up to capture that?

25 MR. PAUL SLOAN: I would just say of

1 the things that have -- we all know what the
2 discussion has been and that could be compiled by
3 staff or anybody.

4 Are there things that were not
5 mentioned, one of which I think is the transparency.
6 That this offers up public and interagency
7 transparency and --

8 FACILITATOR LIZ UPCHURCH: So
9 public interagency --

10 MR. PAUL SLOAN: And it also --

11 FACILITATOR LIZ UPCHURCH: -- public
12 transparency?

13 MR. PAUL SLOAN: -- helps to eliminate
14 siloed -- it's -- however you want to describe it.

15 FACILITATOR LIZ UPCHURCH: The
16 partnerships or --

17 MR. PAUL SLOAN: Yeah. It really
18 coordinates better the efforts Valley-wide, both
19 within the TVA and among partners of the objectives,
20 and thereby, offers more opportunities for
21 partnerships and more opportunities for coordinated
22 strategies.

23 FACILITATOR LIZ UPCHURCH: So promotes
24 collaboration of -- with partners?

25 MR. PAUL SLOAN: Yes. Really enhances

1 that opportunity, increases transparency.

2 CHAIR DEBORAH WOOLLEY: And that's
3 internally and externally?

4 MR. PAUL SLOAN: Internally, yeah.

5 CHAIR DEBORAH WOOLLEY: Let me just
6 say and remind everybody that I think what Renee said
7 is real important, that we have done a lot of value,
8 but to have an answer to this question we are going
9 to have some things up there that we vote on because
10 we have to reach the consensus and provide that
11 answer.

12 FACILITATOR LIZ UPCHURCH: Tom.

13 CHAIR MR. TOM LITTLEPAGE: Yeah. I
14 was going to say, part of the value in this is the
15 opportunity to set a standard --

16 FACILITATOR LIZ UPCHURCH: Set a
17 standard?

18 MR. TOM LITTLEPAGE: -- for other
19 states and for resource agencies on how to approach
20 this effort.

21 FACILITATOR LIZ UPCHURCH: Okay.
22 Thank you. That's great.

23 Any other thoughts on additional
24 values that maybe we haven't talked about today?

25 Deb.

1 CHAIR DEBORAH WOOLLEY: I think it's
2 just the opportunity to highlight the scope and
3 breadth of what is done and what will be done.

4 FACILITATOR LIZ UPCHURCH: Opportunity
5 to highlight the scope and breadth of what has been
6 done and what will be done for -- by TVA or just --

7 MR. PAUL SLOAN: Just another benefit.
8 Obviously, you can't forget that the resource is
9 going to improve. The resources will be --

10 FACILITATOR LIZ UPCHURCH: Improve
11 resources.

12 CHAIR DEBORAH WOOLLEY: The health of
13 the resources.

14 MR. PAUL SLOAN: Those things are
15 important because those things you measure, and we
16 are now measuring.

17 FACILITATOR LIZ UPCHURCH: Okay. Any
18 other thoughts on values that we maybe have not
19 touched on today that you would like to add?

20 Yes, Ron.

21 MR. RON FUGATT: Not particularly on
22 that, but I don't want us to lose these others. If
23 all of these others on here were difficulties and
24 challenges, let's go back and add them because we
25 don't want to lose those.

1 FACILITATOR LIZ UPCHURCH: As they are
2 addressed they would become a value, is that --

3 MR. RON FUGATT: Well, no. What I'm
4 saying is that we -- when we get through this list --

5 FACILITATOR LIZ UPCHURCH: Oh, you
6 mean these?

7 MR. RON FUGATT: -- I realized the
8 thought process was that one of the reasons we would
9 have difficulty answering this question of benefits
10 and values is we didn't have any measures, you know,
11 there was no measures, and that's why we captured
12 some of this list in benefits and values.

13 So if we're not going to capture
14 those, and I'm sort of leaning in the direction that
15 if we're talking about just the draft plan, the
16 things y'all have mentioned are really good, but we
17 need to go back and not forget those. And if they
18 are challenges, let's put them in there as challenges
19 so that we captured all of those.

20 FACILITATOR LIZ UPCHURCH: And just to
21 clarify so I understand what you're saying, you mean
22 this list of the day-one recap key themes and make
23 sure we pick those up also in benefits?

24 CHAIR DEBORAH WOOLLEY: No. We had
25 two benefits on here that are not on the list, which

1 we had designated just as benefit, the risk analysis
2 and increased focus, if we don't capture those they
3 will be lost completely.

4 MR. RON FUGATT: That's right.

5 CHAIR DEBORAH WOOLLEY: And then we
6 had a couple, like quantify cost and benefits, the
7 water prioritization that we had said had both
8 challenges and benefits, I think.

9 MR. RON FUGATT: I just want to make
10 sure we don't lose them.

11 CHAIR DEBORAH WOOLLEY: We don't want
12 to lose them off of the list or else they won't
13 be there at all.

14 MR. RON FUGATT: Correct.

15 FACILITATOR LIZ UPCHURCH: Okay.
16 Well, let's go through and we will get them up here.
17 It looks like Carla has already started on that.

18 She has risk analysis if not done.
19 Increase focus on public outreach and education.
20 Then the other two were the water quality
21 prioritization where TVA can impact the 3 or 3D
22 streams as well as quantify cost versus benefits.

23 So does that meet what you were
24 talking about, Ron?

25 MR. RON FUGATT: I just want to make

1 sure we didn't lose them.

2 FACILITATOR LIZ UPCHURCH: Yeah. No,
3 I -- that's good stuff. So thank you.

4 Okay so. We have got those additional
5 pieces up there. Does anybody have anything else
6 they would like to bring up in terms of we're still
7 on the values and benefits side of things? We have
8 talked about a lot of things over the last two days.

9 Okay. So let's do again on this one
10 like we did on the last one, if everybody would kind
11 of take a minute and read through the list that's up
12 there. We have -- in terms of additional benefits
13 and values, we have public and interagency
14 transparency; promotes collaboration with partners
15 both internally and externally; opportunity to set a
16 standard; opportunity to highlight scope and breadth
17 of what has been done and what will be done; improve
18 health of resources; risk analysis, if not done;
19 increase focus on public outreach and education;
20 water quality prioritization where TVA can impact;
21 and then quantify the costs versus the benefits.

22 Are we -- is everybody okay with this
23 list? Can you do a thumbs up on this as our list of
24 values and benefits? Okay. It looks like we have
25 consensus on that. Any -- well, I think we have got

1 a consensus on that. We will move on.

2 The last question that we wanted to
3 get some input on is which high priority programs, if
4 any, is --

5 DFO ANDA RAY: I thought this was --
6 we took this one out.

7 FACILITATOR LIZ UPCHURCH: We're not
8 going to do that one?

9 DFO ANDA RAY: No. I think we're
10 done.

11 FACILITATOR LIZ UPCHURCH: Okay. I
12 think we're done. Okay.

13 CHAIR DEBORAH WOOLLEY: A thumbs up on
14 that.

15 FACILITATOR LIZ UPCHURCH: Now, is
16 there any other housekeeping or final closeup that we
17 need --

18 MS. KELLY LOVE: Can I just ask that
19 you do the official thumbs up or thumbs down for
20 questions two and three, the challenges and --

21 FACILITATOR LIZ UPCHURCH: I think we
22 did.

23 CHAIR DEBORAH WOOLLEY: Anda, do we
24 have information about the next meeting?

25 FACILITATOR LIZ UPCHURCH: So I think

1 that the last thing on the agenda is when the next
2 meeting is, is that -- I don't have the agenda right
3 up here with me.

4 DFO ANDA RAY: All right. After
5 listening to all of this, what we would like to
6 recommend is that we have one more -- we have another
7 electronic follow-up between now and sometime the
8 first of June, maybe right in the first week of June,
9 that the first week in June we have a subcommittee
10 which means -- which all that means is it's an
11 optional meeting for you to attend as a working
12 group.

13 Likely there will not be a quorum. So
14 there would not be any official advice. If that
15 working group comes up with advice, then the next
16 meeting, which is on your calendar as June 29th, we
17 could vote on that during that meeting.

18 What we -- what I'm proposing, because
19 there's so much more work now that you have
20 identified, is I don't think we can wait until
21 June 29th and just have a meeting. So if we send you
22 something ahead of time for the pre-meeting or
23 subcommittee and we will work with you on something
24 around the first of June so that you can look at
25 that, that gives us three or four weeks to revise it

1 before June the 29th, that on June the 29th we
2 actually do a dry run with you, here's messages with
3 the NRP, here's -- which includes the justification
4 benefits, value, cost justification, and here's
5 what's different from what's happening now, which
6 would include, if you didn't do anything, here's the
7 risk of not doing anything. So we would actually run
8 through that with you like we were trying to get the
9 40 million from you, and that's what we propose the
10 29th.

11 So if that's okay with you, then
12 that's what we will do is work with your -- send you
13 something pre-meeting, work with your staff, your
14 calendar to see if we can come up with a date that
15 most of you can be available the first of June.

16 CHAIR DEBORAH WOOLLEY: Can I just ask
17 that if we do a working group like that, how many of
18 you-all would take the time to come and participate?

19 DFO ANDA RAY: If it met their
20 schedule.

21 CHAIR DEBORAH WOOLLEY: Yeah. And if
22 it met the schedule because that's going to be a hard
23 one to get a last date in there. So about half the
24 group.

25 MR. RUSSELL TOWNSEND: Anda, could you

1 clarify to me, on the 29th meeting is it just a
2 single-day meeting?

3 DFO ANDA RAY: Yes. Right now -- Beth
4 is not here. I am pretty sure it's a single-day
5 meeting.

6 CHAIR DEBORAH WOOLLEY: From what I
7 understand, it's a single-day meeting. It's in North
8 Georgia. So for people traveling, you would be
9 coming in the night before.

10 DFO ANDA RAY: So it starts in the
11 morning.

12 CHAIR DEBORAH WOOLLEY: Then that day
13 and then out.

14 MR. RUSSELL TOWNSEND: So not a day
15 and a half. I understand.

16 DFO ANDA RAY: Okay. That's it.

17 MR. RUSSELL TOWNSEND: Before we
18 adjourn, I would just like to ask if we could take
19 just a minute to remember those folks that lost their
20 lives and lost loved ones in the storms last night
21 and to send our good thoughts, hope, and prayers to
22 TVA and all the hard work they are going to have to
23 do to get everything in their house back in order.
24 I'd just like to --

25 MR. RON FUGATT: And the distributors.

1 MR. RUSSELL TOWNSEND: Everybody. I
2 would just like to take a minute to remember those
3 folks, if we could.

4 (Brief silence.)

5 CHAIR DEBORAH WOOLLEY: Is there
6 anything else that anybody else has before we close?

7 Renee.

8 MRS. RENEE HOYOS: Should there be a
9 response to The Metro Pulse article from either the
10 Resource Council or individuals from the Council?

11 DFO ANDA RAY: Interesting. We could
12 draft something up for all of you to say you agree,
13 we can do that, and do it electronically. We can
14 draft a response for you and you-all could provide
15 comments if you wanted to do that and say that you
16 have met. It's up to you.

17 CHAIR DEBORAH WOOLLEY: I would like
18 it, Renee. I think -- when I was listening to Anda
19 read that this morning, I thought about any of us in
20 our companies or organizations trying to do this kind
21 of planning process and have that type of
22 interpretation come out telling us what we thought
23 before we decided what we thought is really
24 difficult.

25 CHAIR MR. TOM LITTLEPAGE: As a

1 follow-up, can I ask you to e-mail the article to
2 everybody?

3 CHAIR DEBORAH WOOLLEY: Is there --
4 Russell.

5 MR. RUSSELL TOWNSEND: One thing I
6 would like to say, I hate to browbeat a potential
7 ally, but I wanted y'all to know that I don't think
8 that most tribal community members view TVA with
9 resentment.

10 I think most of us understand that TVA
11 wasn't around when our lands were stolen from us, and
12 I think now we look at TVA as a steward of lands that
13 were stolen from us. I think most of us that really
14 think about it view TVA as an ally and a friend
15 because we have to work together to take care of a
16 very valuable resource.

17 I don't think it's resentment and I
18 don't know if that deserves clarification in the
19 paper, but, you know, there's always those folks that
20 say, hey, let's stick it to the man, but I think when
21 we stop and think about it we understand TVA has to
22 be an ally to us.

23 DFO ANDA RAY: And let me take the
24 action that we may end up having this from the
25 stakeholder group, and if that's the case a couple of

1 you, we will ask you to make some quotes, and that
2 may be an appropriate quote from you since they
3 specifically mentioned Native Americans.

4 MRS. RENEE HOYOS: I was going to say
5 that would need to be brought up and also the fact
6 that there was some monetary -- he got the money
7 wrong. I know this reporter. So, you know, we
8 should probably definitely write something to The
9 Metro Pulse for corrections.

10 DFO ANDA RAY: Okay.

11 CHAIR DEBORAH WOOLLEY: Anything else
12 before we adjourn?

13 I'd remind you to take your name tags
14 off and leave them with your name card.

15 Anda, is there anything else from you?

16 DFO ANDA RAY: No.

17 CHAIR DEBORAH WOOLLEY: Beth.

18 MS. BETH KEEL: Lunch is out on the
19 tables out here. You can grab it and head out on
20 your way. There's a variety of things. There's some
21 sodas in there if you want to grab one to go.

22 Thank you. I just need your badges.

23 FACILITATOR LIZ UPCHURCH: Okay. If
24 there's any -- Paul.

25 MR. PAUL SLOAN: If there's any

1 cause -- if there's any justification for redundancy
2 it's on this message; and this is, to thank TVA and
3 thank you for this -- for going through this process.

4 And further to what Russ had to say, I
5 can't imagine what's racing through yours and every
6 other TVA staff members' mind right now and to be
7 able to do this today as well as the whole process,
8 all of our support and thoughts are with you.

9 DFO ANDA RAY: Thank you. Thank you
10 for your patience and your great input, and have a
11 very safe trip and travels.

12 END OF MEETING

REPORTER'S CERTIFICATE

STATE OF TENNESSEE

I, Kimberly J. Nixon, RPR, the officer before whom the foregoing meeting was taken, do hereby certify that the foregoing transcript was taken by me in machine shorthand, and thereafter reduced to typewriting by me;

That the transcript is true and accurate and that the transcript was prepared under my supervision, and attached to this certificate is a true, accurate, and complete transcript, as provided by law;

That I am neither counsel for, related to, nor employed by any of the parties to this action; and I further certify that I am not a relative or employee of any attorney or counsel employed by the parties hereto, nor financially or otherwise interested in the outcome of this action; and that the foregoing transcript is complete and accurate in all particulars, as provided by law.

In witness whereof, I have hereunto set my hand this _____ day of _____, 2011.

KIMBERLY J. NIXON, RPR
MY NOTARY EXPIRES 4/18/2012.