

**Tennessee Valley Authority
Regional Resource Stewardship Council
April 26, 2016
Meeting Minutes**

The Tennessee Valley Authority (TVA) Regional Resource Stewardship Council (RRSC or Council) convened for the fourth meeting of its eighth term at 8:30 a.m. EST on Tuesday, April 26, 2016, at the Chattanooga Hotel, 1201 Broad Street, Chattanooga, Tennessee 37402.

Council members attending:

Avis Kennedy, Chair	Greg Cable	Jean Kellems Elmore
Phil Hazle	Brock Hill	Richard Holland
Mark Iverson	Brad Kreps	Tom Littlepage
Gary Myers	W.C. Nelson III	Rhonda Rice
Jack Simmons	Gerald Taylor	Russ Townsend

Designated Federal Officer: Dr. Joseph Hoagland
Alternative Designated Federal Officer: John Myers
Facilitator: Lee Matthews

Appendix A identifies the TVA employees, members of the public, and others who attended. Appendix B is the agenda for the meeting.

Copies of the presentations given at the meeting can be found at <http://www.tva.com/rrsc/>.

Formal Council advice was not sought at this meeting. The meeting was devoted to presentations by TVA staff to provide updates on TVA's efforts regarding previous advice of the Council and to provide presentations about other TVA initiatives. Nine members of the public registered and spoke at the public comment period.

1. Welcome and Introductions

- a) Lee Matthews, Facilitator, welcomed the Council and reviewed meeting protocols and provided a safety moment.
- b) Dr. Hoagland, Designated Federal Official (DFO), welcomed the Council to Chattanooga.
- c) Avis Kennedy, Chair, welcomed the Council.

2. Designated Federal Officer's Report and RRSC Meeting Protocols

- a) **RRSC Protocols** (Presentation can be found at www.tva.com/rrsc/)
Kendra Mansur, attorney from TVA's Office of General Counsel, highlighted the importance of this fourth and final meeting of the eighth term and she thanked the Council, on behalf of TVA, for its participation on past terms and for its participation in this current term. She acknowledged that this is Jean Elmore's and Phil Hazle's last meeting and noted that Ms. Elmore served approximately ten years and Mr. Hazle has

served two and a half terms. She briefly discussed Federal Advisory Committees and provided some statistics and also described the activities included in TVA's stewardship efforts. She reiterated that the Council complies with the Federal Advisory Committee Act and regulations. She stated that TVA has a public comment session scheduled and this Council meeting is open to members of the public. She remarked that the recommendations of the Council are greatly appreciated by TVA.

b) DFO Report

Dr. Hoagland summarized the purpose of the meeting which was to provide updates to the Council on previous topics and to present information on some other TVA initiatives. New members of the Council were recognized and the Council was acknowledged for completing the 8th full term of the RRSC. Dr. Hoagland stated that the Council's feedback is very helpful to TVA and described how it benefits TVA to obtain perspectives and thoughts from those outside TVA. Brief updates were given on the Boone Dam Repair, Clean Power Plan, and Watts Bar Unit 2. Dr. Hoagland responded to a question regarding the Integrated Resource Plan (IRP) and stated TVA will likely start a new IRP process in the next couple of years. He also indicated TVA is using less coal and more natural gas, and that the participation in solar is increasing rapidly as prices are falling much more quickly than anticipated.

3. TVA Natural Resources Update (Presentation can be found at www.tva.com/rrsc)

Rebecca Tolene, Deputy General Counsel and Vice President of Natural Resources, thanked the Council and the members of the public for taking a day out of their busy schedules to participate in the meeting.

She began by providing an overview of TVA's Ten Natural Resource Program areas stating she would focus on three categories, 1) Public Land Management, 2) Land Planning and Uses, and 3) Shoreline Management. She began by describing how TVA had implemented much of the advice the Council had offered in previous sessions. This included focusing on outreach and communications efforts, more effort to reach kids, working on applications "apps" so that the public could find TVA lands on their mobile devices, signage improvements, and publishing the new Stewardship and Adventure Guide Books. She also talked about the success that TVA's campgrounds were having under new concessionaire agreements. TVA now has reservation systems in all of the campgrounds and other more modern amenities as well.

She discussed that TVA Natural Resources staff have improved their use of metrics to measure performance and provided an example of some of the graphical metrics. She talked about TVA's strategy to work with partners to complete projects. She stated that this helps TVA leverage dollars and we are working hard every day to make the process easier to complete projects. She discussed efforts to reopen our Visitor Centers and stated the dam reservations are often the billboard for TVA to the public. TVA is making efforts to work with small towns and communities to increase recreational access opportunities. In one instance, a small town changed its largest tax revenue day from winter to summer due to fishing tournaments. Some of these efforts that TVA can assist with (i.e. ramps, piers, and parking lots) are big wins for smaller towns.

TVA is working on a Comprehensive Valley Wide Land Plan and will come back to the Council later and discuss further in detail.

Council Comment: Will Nelson commented on a new two mile trail below Nottely Dam and how it changed his impression concerning recreation. He expressed appreciation for the trail and for TVA working with local officials to help facilitate the construction. He said it had brought about unexpected benefits to the community.

Ms. Tolene stated that activities such as birdwatching and mountain biking are not for everybody, but these are growing trends and TVA is watching to see what we need to do to get ready and help meet the recreational needs.

Council Comment: Russ Townsend asked about the land planning ranges for Sensitive Resource Management and why they were changing. Ms. Tolene responded that the changes were simply because TVA had better data and that is was unrelated to cultural resources. In some cases, TVA was reallocating lands to Natural Resource Management because we had reviewed an area and determined it did not have sensitive resources.

Ms. Tolene talked about the success of the “Permit Us to Help You” campaign where TVA seeks to reach the public and make them aware of the need to obtain Section 26a permits from TVA before building things in the water or on TVA land. We have been working with realtors, increasing TVA’s presence on the web, and also reaching out to the public with our River Neighbors newsletter. She also stated TVA had put in place a new team to look at land protection to help prevent violations and encroachments. The team will be looking at TVA obtaining citation authority.

Ms. Tolene provided an update on floating houses and explained where TVA stands in that process. Ms. Tolene stated that the Council’s previous advice to stop new floating houses and sunset those existing in less than 30 years has been reviewed and is important to TVA. Ms. Tolene stated that those in opposition to the TVA proposed policy are opposed to the sunset provision, and it appears that even a longer sunset period would not be satisfactory to those who own the non navigable houseboats and floating homes. She commented that many owners of non navigable houseboats and floating homes want to own and maintain them indefinitely and pass them on to their families. However, most people are supportive of better standards. Those supportive of the policy state TVA should have done something long ago to stop the private use of the reservoir. If the policy is passed, fees would be collected to help offset the cost of TVA compliance efforts so that compliance would not be paid by ratepayers. TVA staff is continuing with plans to make a recommendation to the TVA Board on May 5, 2016 of alternative B2, which includes permitting those who meet standards and sunset all in 20 years.

Council Comment: Will Nelson asked if the same rules generally apply to all reservoirs or were there differences in reservoirs? Ms. Tolene responded that TVA generally tries to be consistent across all the reservoirs.

Ms. Tolene ended her presentation by stating that TVA wants to continue to do a better job at providing recreational opportunities to the public. She asked the Council to let us know how we are doing.

4. Programmatic Agreement: Natural and Cultural Resources (Presentation can be found at www.tva.com/rrsc)

Brenda Brickhouse, Vice President of Environment and Energy Policy, presented information on programmatic initiatives that TVA is evaluating for Natural and Cultural Resources.

Ms. Brickhouse discussed TVA's mission of service and provided an overview of various environmental laws that TVA is subject to while providing that service. The benefits of a programmatic approach are to make related reviews and processes more efficient and effective. She discussed how a programmatic approach could streamline reviews for common actions across resources, and focus limited resources where most needed.

Ms. Brickhouse discussed specific areas where TVA is pursuing programmatic agreements: 1) Bat Programmatic Consultation, 2) Cultural Resources Programmatic Agreement, and 3) Wetland Mitigation Assessment. TVA plans to execute agreements in 2017.

Council Comment: Russ Townsend stated the Tribe receives 4,500 reviews annually, and most are from TVA. He noted that programmatic agreements can result in efficiencies.

Council Comment: Mark Iverson asked about the status of the Waters of U.S. rule? Ms. Brickhouse stated this was a hot topic and TVA was watching it closely and waiting to see what the courts decide. Overall, there has been expansion in what is considered a stream or a wetland.

Council Comment: Brad Kreps asked what the primary reason is for the programmatic agreements (PA). Ms. Brickhouse responded that TVA was seeking a set of principles to guide all TVA projects rather than coordinating on each individual project. TVA actions are divided into three buckets of work. The first would involve no consultation because no one has concerns about particular types of action. The actions in the extreme (third) bucket would still require individual consultation for each project. A middle (second) bucket is the focus of these programmatic agreements, where TVA would have an understanding with regulating agencies regarding the impacts and associated obligations. TVA would go ahead and implement projects based upon certain mutually agreed upon parameters. Pre-determining outcomes for certain actions and aggregating them could provide many benefits and speed the process of completing projects.

Council Comment: Russ Townsend made a comment in response to Mr. Krep's comment. Many federal agencies have worked to streamline processes relating to cultural resources. For example, the way it is now, TVA sends out a letter to State Historic Preservation Officer (SHPO) and Tribes for every federal undertaking. So, the SHPO gets a letter for a project to add solar panels onto a campground bathroom roof, which is not something the Tribes need to review as it does not have potential for an adverse effect to Tribal resources. This is an area that would be good to reach agreement. Mr. Townsend asked if the goal was to have one PA with all the Tribes

or individual PAs with each Tribe. Ms. Brickhouse responded that the goal is one PA that is agreed upon by all. Mr. Townsend stated that the United States Forest Service (USFS) is an excellent example of where the Tribes and the SHPOs agreed to one document; it is set up by USFS district. Mr. Townsend will provide further information to TVA.

5. Public Comment Period

Lee Matthews opened the public comment period and thanked all the participants. He went over some basic rules for the session.

- Three minutes per speaker (Liz Upchurch to stand at two minutes 30 seconds to signal that 30 seconds are left)
- Speakers may submit additional comments in writing
- Be respectful of others
- Disrespect will not be tolerated
- Council will listen but not respond

Nine members of the public signed up to speak.

David Monteith, Swain County Commissioner, provided some history on the Fontana Dam and surrounding area and stated how the area was impacted by Fontana Dam, the National Park Service, and the United States Forest Service. With the impoundment of Fontana Reservoir, Swain County lost businesses and income. He stated Swain County receives no electricity from TVA and that the value of the floating houses in Swain County are over \$3 million and the County receives approximately \$12,000 in tax revenue from the owners per year. He stated that the floating houses are a major source of income for the County. He said stated that when the National Park Service also came in, that action combined with the Fontana Dam project, caused the relocation of 6000 people and moved jobs out of the County. He stated that enough is enough and he is opposed the sunset provision.

Phil Carson, Chairman, Swain County Commission, read a resolution from Swain County opposing the proposal to sunset the floating houses. He discussed how Swain County addressed the sewage issues related to floating houses. He stated TVA's watershed starts in North Carolina. He stated that they were willing to work on a resolution and that houseboats might be a problem on some reservoirs, but not on Fontana. He also said that Swain County has partnered with TVA to clean up the floating houses.

Tony Sherrill, Alarka boat dock owner, said he needs houseboats as they were his main source of income. He asserted that the sunset provision will put him out of business. He stated that he does not have the lake access that many marinas have. He said that people are already talking negatively and starting to remove houseboats. He stated that we need better enforcement of existing rules from TVA, and he opposes the sunset provision.

Geoff Edleman, Lake Blue Ridge Civic Association, spoke about water levels on Blue Ridge and what they mean to the local economy. He passed out a two page handout to the Council outlining a request for TVA to change the Lake Blue Ridge Operating Guide. He said that TVA

needs to revisit its reservoir water level guide. He also said that nothing stays the same over a 30-year period. He requested summer water levels be extended to October each year. He encouraged the Council to seek information about the issue from TVA.

Erik David Sneed, Representative for Tennessee Valley Floating House Alliance and Fontana Families, stated he was an owner of two pre-1978 Houseboats. He said it was very much a family thing and referenced a petition with 2,119 signature and 543 comments. The petition is against the sunset of 20 years, he stated. He said that floating houses were a key part of the economy and that Fontana Reservoir was 89 percent in Federal Ownership. He discussed a study conducted in 2006 by Swain County and Western Carolina University and asserted that it indicated floating houses and non-navigable houseboats do not impact water quality based on sampling. He mentioned the Fair Use of Federal Lands and cited examples at the Grand Canyon. He stated they were reasonable people requesting dialogue and recommended TVA propose alternative B1.

Tyson McGee, Representative of the Floating House Alliance, said he purchased a 4B non-navigable houseboat on Norris 7 or 8 years ago. He stated that his friends and family come to his floating house every weekend and spend money locally with the community. He said that many folks drive hours to spend 2 or 3 nights and vacationers come from out of town and out of state to stay in floating houses. He said that the Floating Home Alliance has 800 members. He said that only about one percent of the surface water on Norris is used for floating houses. He said that we should regulate them and get what TVA wants and enforce and police them. He said we need to involve the floating house owners and have them work together with marinas and TVA to solve the issues. He asked TVA to reconsider and select alternative B1 and revisit the issue in three years.

Mary Ann Lefker said she and her husband, Tom, own a floating house (post 1978) on Norris Lake. She commented that she has read all of the Council's comments and does not think the Council has all the data. She said she has read the 500 page Environmental Impact Statement several times, and that several agencies that responded to TVA did not state their preference for alternative B2. She stated that she and her husband have invested their retirement savings in a floating house and claims that TVA openly permitted them to do so. She said that TVA used its discretion to not enforce rules and allowed floating houses. She requested that TVA reconsider its proposal.

Debra Samples stated she is the owner of Indian River Marina on Norris Reservoir and that is hard to tell someone that their baby is ugly, but that is what she is here to do. This is not the right decision, she said. She acknowledged having a good relationship and respect for TVA employee David Harrell. She stated that your former employee, George Humphry, said these were allowable and she could put in her harbor limit what she wanted. She stated she gave her comments to the court reporter at the TVA Lafollette public meeting, but could not find those comments in the report. She stated that the environmental impact statement is flawed due to the economic impacts. She stated she owns 2 floating houses and says 23 floating houses in her harbor are owned by others. She states she will lose 30 percent of her business if TVA follows through with this policy. She states she will not be able to put her daughter through college and can not retire. She feels she has followed the rules and has been let down.

Mr. Scott Collins stated that the United States Forest Service processes 500 leases a day on campgrounds, private hunting cabins, hunting, agriculture, easements, coal mining, strip mining gold in Alaska, and other uses under Fair Use. He stated the agency is also responsible for marina leases on intercostal waterway where they have unlimited mooring. He stated that if floating houses are in established harbor areas, is it not also considered fair use? A second point, he said, is compensation for houses when they have to be removed. Mr. Collins claimed floating houses are real property and depreciate. He said that the United States Supreme Court reviewed a case involving a houseboat in recent years, just like here, and disqualified it from being a floating house and put it under maritime law. He stated floating houses are real property and TVA will be liable for losses and for paying floating house owners. He stated his floating house is worth more today than when he purchased it.

5. Reservoir Release Improvements (Presentation can be found at www.tva.com/rrsc)

Lana D. Bean, Manager, Water Quality Support, made a presentation on TVA's Reservoir Release Improvements Program.

The objectives of the program are 1) to meet dissolved oxygen targets to protect aquatic habitats and 2) to maintain a wetted riverbed. Lana explained thermal stratification of the reservoirs and impacts to the impoundment. She discussed the original 1991 Lake Improvement Plan and how the 2004 Reservoir Operations Study (ROS) played a part in the RRI program. The LIP provided guidance that provided many benefits related to greater in-stream flows to include 1) more wetted channel area, 2) increased Dissolved Oxygen (DO) levels, 3) improved spawning runs, 4) flushing of deep pools, and 5) reduced thermal shock. As a result of implementing the ROS preferred operating policy, enhancements were required and made to several of our DO projects.

Ms. Bean explained the current aeration systems that TVA uses to increase the DO levels of the water. She also provided data showing how the number of native fish species had increased after DO levels had increased. Overall, TVA has seen improvements in tailwater macro invertebrate communities, mussel recoveries in tailwaters, and the reintroduction of some threatened and endangered species.

TVA is making an ongoing commitment to the cost of operations and the level of effort required to maintain the RRI program. TVA spends about \$2.2 million a year on the RRI programs. TVA is committed to the welfare of the water quality below the dams of the Tennessee Valley.

Council Comment: Russ Townsend asked how does TVA affect water quality at places like Boone with deep drawdowns? Ms. Bean responded that TVA does monitor the water quality where we have deep drawdowns.

Council Comment: Brad Kreps asked if TVA had seen a direct relationship between improvements and economic development such as increased use of tailwaters for fishing. Ms. Bean responded that we have seen greater use of the tailwaters for fishing and TVA's Forecast Center does work closely with public for special requests such as special releases and flows.

Council Comment: Tom Littlepage asked if TVA was only conducting one project per year and was that going to keep up with the need. Ms. Bean responded that TVA has a steady budget and that we can keep the systems maintained at the current level of effort.

Council Comment: Will Nelson asked about the difference in the DO levels above and below the dam. Lana responded that each reservoir is different and TVA monitors those levels so we know what to do and when. Mr. Nelson followed up with a comment about water quality below the dams compared to the water flowing into the reservoirs from the mountains.

Council Comment: Jack Simmons commented that not all the releases are for cold water fishing. He said that Tims Ford Reservoir, for example, has releases from the surface for minimum flow (using a Hartsville nuclear generator pump) and provides a different type of tailwater fishery (small mouth bass).

6. Additional Discussion on Floating Houses

Following lunch, Dr. Hoagland recognized and welcomed Richard Holland, a new member of the RRSC. In addition, he announced that based upon the earlier public comments that the Council planned to talk more about floating houses and its earlier advice.

Avis Kennedy, Chair of the Council, asked TVA to further elaborate on the floating house alternatives and share the earlier Council advice for the Council to review. Rebecca Tolene discussed alternatives A, B1, B2, C, D, and the no action alternative with the Council. She also reviewed the following issues associated with floating houses: 1) private use, 2) electrical, 3) wastewater, 4) anchoring and mooring, and 5) need for stronger regulation. She stated TVA would follow up on comment from the speaker who had mentioned during the public listening session that she could not locate a summary of her conversation with the court reporter.

Council Comment: Tom Littlepage asked for clarification on the categories of structures. Rebecca responded that about 1/2 are pre-1978 (900) and 1/2 are new floating homes (900). Photos of each type were reviewed. Ms. Tolene stated that the pre-1978 units have revocable permits and are often where some of the environmental and safety concerns are. Mr. Littlepage asked where are they moored. Ms. Tolene responded that most of these structures are moored in marinas. Mr. Littlepage asked if one can lump all non-navigable houseboat and floating houses into one category relating to environmental concerns. Ms. Tolene responded that the potential environmental issues are similar for both. She also stated that pumping records are available for some marinas and TVA was a partner with the pump out program at some locations.

Council Comment: Russ Townsend asked if marinas regulated this or do individuals do what they want? Ms. Tolene answered that for the most part, we have agreements with the marina and the floating houses have agreements with the marina. The vast majority of floating houses are in marina harbor limits.

Council Comment: Greg Cable said that in answer Mr. Townsend's question, on Fontana, the marina owners are required by Swain and Graham County ordinances to keep wastewater

pumping records on floating houses in their harbor. Many marina owners also move the floating houses in and out from the shoreline with the water levels. Mr. Cable mentioned the County obtained a grant years ago to obtain a pump to remove the wastewater from floating houses. He said he was not in agreement with the prior Council Advice about the sunset provision on Fontana.

Council Comment: Jack Simmons asked if you are a land owner on a TVA reservoir and have 26a permit, are there restrictions about living on structure? Are we treating people differently if they own land, and can they live on it-- or can someone get a houseboat and live there without owning land? Ms. Tolene responded that it does involve an equity issue. The goal is that no one lives public land. Jack Simmons asked if someone pulled up a boat, could that person live there? Rebecca Tolene clarified the difference between a navigable structure and non navigable structure.

Council Comment: Jean Elmore said that we had this discussion several years ago because there was a problem with docks having second stories and people living on them. She said that the RRSC has determined in previous meetings that the concept of individuals living on public land and/or not following section 26a regulations is unacceptable.

Council Comment: Will Nelson said he struggled with this issue before and that the struggle exists now. He said that in 1978, we didn't know we would be here today so we didn't put in the regulations then that we need today. So we need to use our heads to see where we are today and what it will be like in 20 years. What we didn't know back then, we still don't know now about the future. He said that some people have skirted and bent the rules to add a steering wheel and motor to appear to fit the rules, when the intention all along was to have a house on the lake. Now we are to the point that some people just build a house on the lake. He remarked that if we don't do something, where does it end? He said that he feels for people who have them. He stated that if we don't do something today, and make a hard decision and do tough things, what will people say later if we didn't take this opportunity and do something about it now? You might not be able to ride a canoe through Fontana Lake in the future if we let it go. My family had the reservoir back up onto our property in Blue Ridge, and it hurt, but we survived. The thousands that don't have a boat, we need to be as fair to them the same as the people who own these floating houses. It is a tough position too as we have constituents sitting right here behind us that hold on to what we say. We have to make the right decision so can look back 20 years down the road. So he asked the Council, "Where do we want to be? What do we want the lakes to look like?" He stated that we need to make comments and base decisions on where we want to be in 20 years.

Council Comment: Russ Townsend said that he agrees with a lot of Mr. Nelson said. Mr. Townsend indicated that what Mr. Nelson said first, and what he alluded to, is the real point. RRSC is faced with questions on houseboats that are part of TVA history, and TVA has not dealt with houseboat issues in a consistent fashion and now the problem has grown to where it is today, where action needs to be taken. I applaud TVA on having conviction to take action, but my concern is the action appears to be so extreme. Mr. Townsend asserted it is the most extreme of the alternatives and TVA never takes the most extreme action. He stated he wouldn't want to pay to move his house after being kicked out of it. Ms. Tolene responded that TVA is planning

for the cost of the administrative work and planning to set some funding aside for removal of some floating houses, so that the ratepayers are not burdened. She said the 20 year sunset was bringing part of the balance to this situation. The balance, she explained, is to give some time for owners to use the floating homes and then remove them, and provide a certain future date for those who want them gone now.

Council Comment: Brad Kreps asked, "From the whole body of public input TVA has received on the issue, what is the sense of where people are? There are a range of alternatives, and if you look at whole body of input, where are the trends in the alternative support?" Rebecca Tolene responded that the vast majority of the comments now coming into the system are from people who own the structures. Some don't like the regulations as they feel it is too costly and all floating home owners are concerned about the sunset provision. There are petitions with many signatures, she commented. She said that she sees the comments going to the Board of Directors, and most are from floating home owners. We do have others that don't like floating houses at all and want them gone tomorrow. Mr. Kreps asked what is the percentage of floating houses that are outside the footprint of marinas? James Adams responded that less than 2 percent are.

Council Comment: Mark Iverson asked about TVA thought's on the theory suggested earlier today during the public comment period concerning allegations that this is essentially a condemnation and there should be payment for taking. Rebecca Tolene responded that we are working with TVA attorneys on this and TVA has reviewed the matter. TVA is comfortable with its authority to proceed with the proposal of B2, despite any assertions concerning litigation.

Council Comment: Will Nelson stated that in considering alternative B1, he has seen situations with people moving into Blairsville, and some who moved in shut the gate and wouldn't let others in. My relative built a hanger on county property and has 99 year agreement with the county. So, consider this, what if TVA chose alternative B1 and offered a lease for a set number of years on the floating houses. At the end of lease, the property reverts to TVA and TVA would own the floating houses --similar to my relative's hanger-- it has to be maintained, so at end of lease TVA wouldn't be out of money. Dr. Hoagland explained that some have permits and some don't. For those that don't, in my opinion, we are rewarding them for not following the rules. Mr. Nelson said what if they get to own it for 20 years, and instead of removing them, they could still stay and the floating home would then belong to TVA. And then TVA could work out a lease for them to stay there and be rented, or if it is dilapidated, it can be removed. So in 20 years, a floating home owner doesn't have to get off the lake, but the owner must lease from TVA. We had talked about earlier whether floating house owners would be willing to rent out the structures. This way, you could prevent new ones from being placed on marinas, and marinas could lease them out after 20 years. James Adams asked for clarification. He said to confirm, after 20 years, the theory is that you move from private use to a public use where the general public could use them. They would become rental units, owned by TVA or a marina, that the general public could rent. Mr. Nelson confirmed this understanding.

Council Comment: Russ Townsend stated his comment goes back to what Dr. Hoagland said about rewarding people about illegal use. He said that TVA has been rewarding illegal use for 40 years. Rebecca Tolene responded that for the first 20 years, TVA didn't really see any, and

what we see now, from construction in the last 20 years, is due to changes in market and demand. After 1978, there was a firm line held for a long time.

Council Comment: Jean Elmore said that this was her last comment, “We are back to where we were.” And she asked, is that we want to be? She asked whether TVA wants the responsibility of owning all of these, as suggested in an earlier comment? What is the cost to the rate payer? Maybe we can recover all TVA’s cost in fees so that the ratepayer is not burdened with the cost of these.

Council Comment: Greg Cable stated that if TVA selects alternative B1, the floating houses will have to meet and maintain standards. To think that Fontana will be growing so fast so that a canoe cannot cross the reservoir is not realistic. If no new ones are allowed, then in 20 years, you should have reasonable structures there that are held up to standards by individuals. This will allow those families to keep what they have.

Council Comment: Will Nelson stated that the opportunity to access the lake that is almost inaccessible (Fontana) is invaluable to all of us.

Council Comment: Avis Kennedy asked for confirmation of the fact that that 98 percent of the floating home are in harbor marina. James Adams, TVA staff, confirmed this figure. Ms. Kennedy then asked what type of agreements the floating home owners have with the marinas. Mr. Adams confirmed that the 98 percent of floating home owners in marinas have slip rental agreements, and the slip agreements are usually year to year from the marina to the slip holder. Mr. Adams further confirmed that TVA agreements with the marinas can be revocable licenses or long term agreements like leases or 30 year easements. Ms. Kennedy stated since the agreements with the floating house owners and marinas are typically year to year, and if a marina sold to new owner and the business plan was different and it did not allow floating houses, the marina could then tell the floating houses owners to move out of the harbor limits. She commented that it appears that many of these floating house owners know they only have one year agreements.

Council Comment: Tom Littlepage stated that in thinking about this discussion, he has strong concerns for health and safety. And then he stated that there is the issue of taking over public space for private use by floating home owners, and the need to limit the growth of that. Within most in harbor limits, to the degree we control what currently exists, we are not removing more public space. So if a goal is to eliminate the public space being taken up, how can we reinforce that private ownership of public resources is not acceptable. So then we ask the question what does this look like in 20-25 years. We might argue that market conditions might change people to move toward true boats. Ms. Tolene responded that we want marinas to be public recreation providers. If the floating houses are removed, the public will have more room to have boats in the marinas. There are economic values beyond these structures to fishermen and others that may not able to own these floating houses.

Joe Hoagland stated that Alternative B2 provides a clear message for marinas and floating house owners that the business model in 20 years will need to be different.

Council Comment: Jack Simmons stated he is trying to benchmark fairness. Fairness is not always sameness. We talked about residential permitting earlier, and then we discussed harbor limits and marinas. My question about harbor limits is under TVA's 26a regulations, would marinas still need permits for their footprint on the water? Would a request to expand harbor limits be approved, and a second question is how do we treat people fairly who are in areas of the Tennessee Valley that have no reservoirs? Mr. Simmons said that the real question is whether docks to accommodate floating houses would be permitted today within harbor limits. James Adams responded that it is possible that TVA could permit the slips and walkways and not realize the plans to put floating houses in those slips. He said the marina plans look the same for permitting of a slip for a boat or a floating house. Bucky Edmondson stated that in the case of residential permitting, we permit the residential dock structure, but not the jet skis and boats that go in those structures. TVA permits structures, not boats.

Council Comment: Gary Myers wanted to clarify the situation. He said that if someone spends \$50,000 on a floating house and didn't have it in a marina, how would alternative B2 affect that owner? He believes the owner can do what he or she wants within the regulations for the next 20 years. The owner could sell it to someone who could use it for the duration of the 20 years. With the sale, the owner would be giving up his or her right to recreate on the floating house, but TVA is not asking anyone to remove homestead immediately. And, they didn't own truly own the homestead in the first place. The use belongs to the public. With the sunset provisions, floating home owners would be able to recover their investment if they wanted, so TVA hasn't taken anything away. He thinks B2 is a good deal. He commented that if one chose not to sell it, then he or she can enjoy it for 20 more years.

Council Comment: Russ Townsend asked if TVA has studied the Elkmont situation in Great Smoky Mountains National Park (GSMNP)? He thinks TVA will be in same situation here. At the end of lease, he stated individuals at Elkmont were going to lose the cabins--creating quite an insurance liability for the national park. As it got closer to time for people to leave them, he stated that GSMNP issued another agreement for use, but ultimately people stopped maintaining their homes. Mr. Townsend commented that what GSMNP was left with was a dump which has liability issues. He thinks people won't pay the fee and will attempt to buck the system. At the end of 20 years, he stated that TVA will have floating disasters that TVA will have to pay to remove. Rebecca Tolene asked what Mr. Townsend thinks is the appropriate answer. She queried whether it was appropriate to let them own a piece of the lake forever. Mr. Townsend responded no, but that jealousy sometimes spurs these reactions from the public. If the floating houses are up to code, then they aren't a hazard. Rebecca Tolene stated that if someone built a house on state park property, they wouldn't be able to stay and live there. She commented that TVA and the Council may need to revisit and discuss how we manage violations and encroachments, if private use of public land is acceptable. She also said that many say TVA didn't do anything for many years about the floating home issue, and she asked whether TVA should do something right now? Dr. Joe Hoagland then provided an example about speeding and getting ticket. He said that you may not always get stopped for speeding, but when you do, you receive the consequences regardless of how many times you have sped without being stopped. Dr. Hoagland said he struggles with people, who knowingly or not, built these without permits and are able to use resources designated for the public. Russ Townsend stated that, in his opinion, if the floating homes are not breaking the Environmental Protection Agency (EPA)

regulations or causing navigation issues, whether you call it a boat or not, it really should be an economic decision for marinas.

Council Comment: Brad Kreps said in thinking about Mr. Townsend's point of a floating home owner giving up on performing routine maintenance and leaving the house for TVA to remove, he said that it is surprising that people make decisions to build or purchase a floating house with no land rights and only a one year lease. People are building these on year to year rental agreements. This is not in alignment with the concept of a house or long-term investment. It would be instructive to understand the agreements between the yearly agreements with marinas and floating house owners--and how they align with TVA rules.

Council Comment: Will Nelson asked and referencing Mr. Townsend's comment, does TVA have the photos of a dilapidated dock? He asked what it would cost to remove. James Adams said it cost \$7,000-10,000 for TVA to remove one in 2014. Will Nelson expressed concern that the ratepayers had to pay to remove this floating home, and he said this is a problem. He stated that TVA should go after the people who cut their floating house loose. Rebecca Tolene said that one of the steps in this new proposed process is to document ownership to help recover the cost from those who might abandon the structures.

Council Comment: Tom Littlepage commented that during its last deliberation, the Council thought the concept of B2 was a less exhaustive approach. He stated in 20 years, it will not be "The have and have nots". In 20 years, we will be facing "What is a boat?" In 20 years, the demand to live on the water will be high. We really need to think on what controls are needed now. The 20 years gives TVA and others time to think about what is needed for control. He asked, "What are the ramifications of changing the policy with no sunset?"

Council Comment: Russ Townsend commented in response to a comment about marina owners not letting things deteriorate-- they said it wouldn't happen on Elmont, and it did happen. The concessionaires didn't do upkeep. The marina owners will be hard pressed to make up for the loss of money of these floating houses. So, it might require TVA to spend even more effort or resources.

Council Comment: Greg Cable asked the Council if it wanted to change its prior Council Advice. The Council declined.

Lee Matthews asked whether it was time for a time a summary of the conversation that had occurred this afternoon, and the Council agreed that it was. Rebecca Tolene stated that there was the previous advice from the Council from April 2015, and which after deliberation at that time, the Council encouraged TVA to select something like alternative B2 with a sunset date of less than 30 years and to focus on regulating these floating house and not allow new ones. Ms. Tolene commented that after further discussion here, there are two or maybe three members of the Council who want the TVA Board to consider other options or find ways to creatively handle this situation without a sunset date. However, overall, the Council has not decided to change its previous advice which included a sunset provision in a timeframe of less than 30 years.

Joe Hoagland stated, also in summary, all of the Council appears to be clearly in alignment with the proposal that TVA needs to ensure that floating house issue is focused on good regulations and up-to-date standards. Mr. Hoagland said that Mr. Littlepage and Mr. Nelson made good points about the 20 year horizon, and that by focusing on the twenty year window, it is sending a signal -- this is where we are going and we are asking where's the best place to be for the ratepayers and the people of the Tennessee Valley.

Council Comment: Tom Littlepage requested to readdress the Reservoir Operations Study in a future Council meeting based upon the public speaker comments about Blue Ridge Reservoir and his interest in the matter. He stated that this is something for the Council to think about. He would like discussion around how to make the ROS a living process with independent review of the impact on climate change and technology. His questions were, "Where are we in making that a living document? How does the 2007 drought influence operations within?" Dr. Hoagland stated that TVA would make note of his request and bring this matter to the Council in a future meeting.

7. TVA Communications Briefing (Presentation can be found at www.tva.comcom/rrsc)

Mike Bradley, Strategic Communications Partner, began the presentation by outlining how Communications works within TVA. He went on to mention how Communications has grown its suite of Communications tools and strategies, emphasizing proactive communications, strategic planning and some new tactics. He gave examples of how these have been utilized in communications related to the Boone Project since issues first started in October 2014. Communications planning has included community outreach, public meetings, stakeholder briefings, advance notifications, traditional and social media, website services, TVA speakers, graphic design and creative services, and more.

Jessica Coleman, Strategic Communications Partner, discussed the overall strategy for communications around Natural Resources at TVA and what the communications objectives were. She gave several examples of proactive communication including featured content on the website, River Neighbors digital newsletter and various social media channels. Ms. Coleman stated that the success of Communications is largely due to a knowledgeable staff that coordinates with her and the Natural Resources team experts to get the right messages to the right people.

Travis Brickey, Senior Program Manager for Social Media discussed the strategy to move external communications from a "source of news" to a "news source" to keep up with the trend to digital sources of information. He also provided an overview of TVA's social media strategy and gave examples of the Dec. 2015 severe weather and how that drove traffic to our social media channels and our strategy to keep the Valley informed. Also TVA provided an overview of the #TVAfun social media campaign. The campaign runs from April through October with monthly themes promoting recreation opportunities around the Valley. The interactive campaign asked users to tag photos with #TVAfun to enter a photo contest for chances to win prizes. Other elements include content rich stories about each monthly theme posted on TVA.com and a set of retro-modern postcards to promote the campaign.

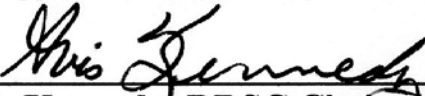
Council Comment: Avis Kennedy thanked the presenters and for all the work related to TVA's communications efforts.

8. Closing Comments

Dr. Hoagland thanked the Council for its work and the discussion today. Dr. Hoagland said that TVA will determine the next date and place of the meeting for the beginning of the 9th term, and TVA will let the Council know.

Council Comment: Jack Simmons expressed thanks to TVA employee, Beth Keel, for her work in supporting the Council and noted this would be her last meeting before retiring. Other Council members and TVA joined with similar remarks. Jean Elmore and Phil Hazle were also recognized again for their long tenure of service.

The meeting adjourned at approximately 2:30 p.m. EST.

Minutes Approved:  Date: 4 May 2016
Avis Kennedy, RRSC Chair

**Appendix A
Non-Council Meeting Attendees**

TVA

Dr. Joseph Hoagland, DFO	John Myers, Alternative DFO
Rebecca Tolene, Deputy General Counsel and Vice President of Natural Resources	Brenda Brickhouse, Vice President Environment and Energy Policy
Lee Matthews	Scott Fielder
James Adams	Barbie Perdue
Michael Scalf	Terry Cheek
Bucky Edmonson	Dave Harrell
Woody Farrell	Kendra Mansur
Rebecca Hayden-Morgan	Jessica Coleman
Beth Keel	Liz Upchurch
Lana Bean	Paul Tanis
Todd Large	Travis Brickey
Mike Bradley	Hill Henry
Robin Peak	
Bo Baxter	

Members of the Public

Bridget Lofgren	Erik Sneed
David Monteith	Tyson McGhee
Phil Carson	Karmen McGhee
Tony Sherrill	Tom Lefker
Deborah Sanders	Mary Ann Lefker
Kevin King	Stephanie Santustani
Sylvia Whitehouse	Houston Brock
Scott Collins	

Others

Jennifer Torregiano-TVA Office of the Inspector General

Appendix B
8th Term Regional Resource Stewardship Council (RRSC)
April 26, 2016
The Chattanooga Hotel, Chattanooga, TN

Meeting Objectives:

1. Gain an update on TVA Natural Resources
2. Provide an overview of the Reservoir Release Improvement Program where TVA is proactively supporting biologic health of reservoirs
3. Provide a follow up on TVA activities on Stewardship and River Communications.
4. Provide information on TVA's approach to developing programmatic agreements related to Natural Resource issue areas.
5. Thank Members for the 8th Term of service.

8:30 - 8:35	Welcome <i>Designated Federal Officer (DFO) - Joe Hoagland and RRSC Chair - Avis Kennedy</i>
8:35 - 8:45	Introductions and Agenda Review <i>(Facilitator – Lee Matthews)</i>
8:45 - 8:50	FACA Briefing: <i>(OGC – Kendra Mansur)</i>
8:50 - 9:05	DFO Briefing <i>(Hoagland)</i>
9:05 - 10:00	Natural Resources Update <i>(Rebecca Tolene)</i>
10:00 - 10:15	Break
10:15 - 11:15	Public Comment Period
11:15 - 11:45	Natural Resource Programmatic Agreement Overview <i>(Brenda Brickhouse)</i>
11:45 - 12:45	Lunch
12:45 - 1:30	Informational Topic: Reservoir Release Improvement Program <i>(Lana Bean)</i>
1:30 - 2:15	TVA Communications <i>(Mike Bradley, Travis Brickey and Jessica Coleman)</i>
2:15 - 2:30	Wrap up and Adjourn, <i>(Kennedy/ Hoagland)</i>