



December 2016 Newsletter

TVA Effects Tennessee Every Day

In his 1935 article “No Flood of Worry,” the national newspaper columnist Ernie Pyle, who later became one of this nation's most famed war correspondents wrote, “TVA is one of those things that everybody knows exist but very few people seem to understand. First there were floods and then, thanks to TVA, there weren't.”

Opponents of TVA, were there at its inception May 18, 1933, (and are there today), have hardly seen it as that simple. From items as small as the snail darter to those as large as its CEO's \$6.4 million compensation package, TVA has been a magnet for controversy. But detractors and supporters alike agree on this: TVA has changed the state of Tennessee, helped define its history and altered its geography like no other man-made entity.

From that first dam project to the construction of Norris Lake just north of Knoxville, TVA has created reservoirs that encompass 650,000 surface acres of water and produced 11,000 miles of shoreline. The federal agency produces electricity, runs campgrounds, has created hiking trails and helped the state attract business and industry.

The authority was certainly born in different times. As President Franklin D. Roosevelt built up the public works programs in an attempt to lift America from the Great Depression, he signed the TVA Act, a measure sponsored by Senator George W. Norris, a progressive Republican from Nebraska.

The problem was certainly simple and clear enough. The climate conditions in eastern Tennessee, had hot and cold air masses colliding, with occasional spinoffs from coastal hurricanes created a “perfect storm” for storms of all shapes and sizes. More than 54 floods were documented in Chattanooga from 1874 to 1937. One, in 1867, filled the downtown streets of Chattanooga with 8 feet of water.

There was much debate even then on whether the government should get involved in the dam-building and utility businesses, but the hard times opened doors or, in this case, closed flood gates. Plans to build massive reservoirs also involved displacing the farms and villages that would soon be underwater. TVA records show 15,654 families were relocated. The stories and songs of lost farms and homes, many that had been in families for generations, are testament to the large and at times difficult sacrifices made by many. By contrast the small town of Norris, Tennessee, just north of Knoxville owes its birth to TVA, which built it as part of the Norris Dam project in 1936.

TVA would eventually own 29 hydroelectric dams spanning parts of a seven-state region built to control flooding and provide power. Together these plants produce about 13.8 million megawatt hours of electricity, enough to power nearly 1 million homes a year.

TVA has become the largest public power utility in the United States, serving 9 million people. In addition to the dams, it owns eight fossil fuel plants, nuclear plants, a pumped storage hydroelectric plant, nine natural gas-combustion-turbine plants, seven natural gas combined-cycle plants, a diesel-generator site, 14 solar energy sites and a wind energy site.

So yes, TVA certainly effects Tennessee every day, as well as several million Tennesseans who come home each day and simply flip on the light switch without having to think about how they get their electricity.



TVA and Army Corps Complete Beaver Creek Flood Project

Fifteen years after the Beaver Creek flood reduction project began, representatives of the Tennessee Valley Authority, the Army Corps of Engineers and leaders from both Bristols' gathered Wednesday, November 9th to celebrate completion of the project.

The project came about when Beaver Creek floodwaters devastated downtown Bristol in 1977. It cost residents and business owners millions of dollars to repair the damage. The Corps of Engineers worked out a plan to correct obstructions contributing to the problem and install features to contain overflows. The four-phase, \$6.9 million plan was introduced in 2004 and came to a successful end in October 2016.

Leaders of both Bristols' agreed years ago to jointly fund about \$2.5 million to the project and the federal government provided \$4.4 million. The project will reduce flooding heights in the downtown area by about 2 feet and save almost \$8 million in benefits during a 50-year flood event, according to a written statement.

"That's a \$462,000 of benefit a year," said Lt.

Col. Stephen Murphy, commander for the Corps of Engineers' Nashville District. "And it looks absolutely phenomenal. I find it a little ironic to dedicate a flood control project while we are in the middle of a drought. But as a part of the federal government, I think that we did what we should be doing by making the lives of our citizens better."

He added that the project would not have been possible without a lot of collaboration. "It took two federal agencies, two city governments and two state governments working on a multi-phase project," he said. "There were multiple funding sources and project managers to get this project completed—it was tough work—but I think the benefits speak for themselves."

Bristol Tennessee Mayor Chad Keen said the project is a great example of what can be accomplished when the two cities work together. "This is just amazing," he said. "It took 15 years to complete but it was well worth the time and effort that was put into it and just look at how beautiful it is."

Bristol Virginia Mayor Bill Hartley agreed and added that the completion of the project will help with the rejuvenation of downtown Bristol. "People will be more likely to invest in downtown with the project completed," he said. "And people who have previously invested in downtown Bristol will have their investment preserved for 50 to 100 years to come."



Drought Impacts TVA Lake Levels

TVA officials say they're getting lots of questions about lake levels" amid the ongoing drought. According to reports, TVA officials "say the lakes are at a normal level for this time of year," but "if the drought continues...it could have lasting impact." "TVA is responsible for maintaining levels in the Tennessee River system so boats can navigate water." TVA spokesperson Travis Brickey said, "To do that we have to pull little bit out of all the big reservoirs like Douglas, Cherokee, and Fontana. So if we don't have anything to replace that, then you will see a slight downward trend." However, according to several reports, "TVA says boaters don't need to worry, they still have plenty of water in storage."

It has also been reported that firefighters in helicopters have been "using water from TVA lakes to battle area wildfires," but "TVA representatives say this is not impacting lake levels." Brickey explained, "We have roughly 133 billion gallons of water in Douglas right now, so just to drop Douglas a foot it would take about ten million helicopter trips." Brickey further stated that "Some TVA officials' say they have heard some concerns about low lake levels," but they assured local residents that the lower pools are "completely normal for this time of year." However, some long range reports predict that lake levels could be affected by next spring if the drought **continues all winter long.**

Journeys to Expand Lebanon, TN Operations

State officials announced November 15th that Journeys would expand its Lebanon operations, which will bring more than 50 new jobs to Wilson County. Randy Boyd, Tennessee Department of Economic and Community Development Commissioner, along with Journeys Group, a division of Nashville-based Genesco Inc., announced the company would expand its distribution operations and invest \$35 million and create 72 new jobs in Wilson County.

Journeys, which operates more than 1,300 specialty retail stores in the United States, Canada, United Kingdom, Ireland and Germany, will add 207,000 square feet to its current 320,000-square-foot distribution facility in Lebanon. The company plans to add new equipment to better serve its retail and online customers with the expansion. Construction of the additional square footage is set to begin by the end of the year.

"I want to thank Journeys Group for choosing to expand in Wilson County and for its continued investment in Tennessee," Boyd said. "There are over 263,400 Tennesseans employed in the transportation, distribution and logistics sector and it is welcomed news when a company like Journeys, with its long history in our state, chooses to bring even more jobs to this growing sector and Team Tennessee."

"The great workforce at our Lebanon distribution center has been a key contributor to Journeys' success over the past 15 years," said James C. Estepa, Journeys Group president and CEO. "We are excited about the Lebanon distribution center expansion to support continuing growth at Journeys. We are proud to be part of the Wilson County community, and appreciate the tremendous support of state and local officials in making this expansion a reality."

Local leaders and partners expressed appreciation to Journeys Group for choosing to expand its operations in Wilson County. "On behalf of the citizens of Lebanon, it's my privilege to congratulate Journeys Group and Genesco on the decision to expand its operations in our city," Lebanon Mayor Philip Craighead said. "We realize that a company of this magnitude has multiple opportunities and alternatives to grow both its market share and service facilities. We believe that today's announcement further confirms that businesses of this stature cannot only locate in this community but also find a supportive and business friendly environment that allows for the company's growth."

"It is always satisfying to learn of the expansion of one of the county's premier businesses," Wilson County Mayor Randall Hutto said. "I want to thank Journeys Group and Genesco not only for the vote of confidence in Wilson



County that this investment represents, but also for the many opportunities and contributions they have made and continue to make to our county."

"TVA and Middle Tennessee EMC congratulate Journeys on its decision to expand and create additional job opportunities in Lebanon, Tennessee," said John Bradley, TVA Senior VP of Economic Development. "We are proud to serve with our partners at the Joint Economic and Community Development Board of Wilson County, Wilson County and City of Lebanon, and Tennessee Department of Economic and Community Development to help support existing business and industry growth."

Bellefonte Sold to Nuclear Development, LLC

Nuclear Development, LLC entered into a contract to purchase the partially completed Bellefonte Nuclear Plant (Bellefonte) from the Tennessee Valley Authority (TVA) on November 11th for \$111 million after a public auction at the plant. Nuclear Development has announced it will invest up to an additional \$13 billion to complete construction of the nuclear energy facility, beginning in 2017. The project is expected to create between 3,000 to 4,000 temporary construction jobs, and an estimated 2,000 permanent, high paying jobs once operational.

"Today marks the first step of an exciting new journey for the people of Alabama and Tennessee," said Franklin L. Haney, who established Nuclear Development in 2012. "The Bellefonte Nuclear Station will help transform communities across the region, many of which have been hit hard by the forced closure of coal power plants over the last decade. This project will bring new life to the region by creating thousands of jobs while providing assured access to reliable, affordable, zero-emission energy."

Haney said he also would like to thank the Tennessee Valley Authority Board of Directors and Chief Executive Officer Bill Johnson "for their diligent work in executing this fair and open bidding process. I am grateful for the entire Alabama and Tennessee congressional delegations, especially Senators Shelby, Sessions, Alexander and Corker, as well as Alabama Gov. Robert Bentley, for their continued support of nuclear development throughout this process. I also appreciate TA's confidence in our proposal and I'm excited to carry forward the investment TVA has already made in Bellefonte Nuclear Plant for the benefit of North Alabama and the surrounding communities. This is truly a historic day for the TVA region."

According to a press release, once completed, Bellefonte will feature state-of-the-art technology and security systems, including a digital Instrumentation and Control (I&C) system for the reactor, double-barrier safety barriers, and a control room simulator for training operations. Local state and Jackson County officials were optimistic about what this purchase would mean for Jackson County.

"It is a big day for Northeast Alabama, and a big opportunity, and it has been a long time coming," said Bud Cramer, a spokesperson for Haney, and the former Democratic House of Representative for Alabama's Fifth Congressional District. "The Haney Family considers themselves part of this community, and have worked many years toward this, and they look forward to moving forward."

Rick Roden, with the Greater Jackson County Chamber of Commerce, said this purchase would be huge for Jackson County. "From what we are hearing, we are talking about thousands of construction jobs for construction phases," Roden said. "We were always told by TVA that once it was up and running that it would be about 800 to 1,000 jobs per reactor. This is some of the biggest news Jackson County has ever had. It is going to be great jobs, and high paying jobs; you add that with Google, just get ready because Jackson County is fixing to explode."

Nuclear Development, LLC is a family-owned and managed company established in 2012 by Haney who developed a multi-faceted business with national investments in real estate and property development. He is a recognized leader in innovative financing, imaginative acquisitions and creative planning. With more than 30 years of experience, the Haney family through various entities has a combined development portfolio of more than \$10 billion and 15 million square-foot of space. The Haney family has holdings in several states and the District of Columbia. The Washington metropolitan area represents the family's leading marketplace, including a multi-billion dollar investment in the Dulles Greenway Toll Road in suburban Virginia and the Portals Office Complex in Washington, D.C.



TVA began construction of the two Bellefonte nuclear units in the 1970s, but the project was suspended in 1988. As recently as 2011, TVA sought to restart work on one of the reactors, but by 2014, the utility was ready to discontinue the project again. Earlier this year, the Board of Directors deemed Bellefonte surplus property and began accepting offers for the site in September.

The site includes approximately 1,300-acres on Guntersville Reservoir, two partially constructed Babcock and Wilcox Pressurized Water Nuclear Reactors (55 percent complete), two high-voltage switchyards and several office and support buildings. Also, the site contains significant nuclear power station equipment, reinforced containment buildings, used fuel storage pools and high capacity cranes for fuel loading, unloading and movement.

Have a Very Merry Christmas

And a Happy New Year

From your friends at ATVG

ATVG REPORT:

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ATVG is a 501(c)(4), not-for-profit, public interest organization. ATVG advocates for the interests of county and city/town governments residing within the seven-state TVA region and their partners in the public and private sectors.

For details about ATVG's mission and program of work, visit us on line at: www.atvg.org



Congratulations to the new ATVG Board of Directors

ATVG Board of Directors (as of 10/2016)

President: Gary Reasons, Crockett County, Tennessee

1st Vice President: John Gentry, McMinn County, Tennessee

2nd Vice President: Brad Warning, Marshall County, Kentucky

Secretary: Frank McKee, Consultant, UT County Technical Assistance Service

Immediate Past President: Don Stisher, Morgan County, Alabama

Treasurer: Brent Greer, Mayor, Henry County, Tennessee

Executive Director: Mike Arms, Managing Partner, Tennessee Strategies, Knoxville, TN

Past Presidents:

Tony Sandridge, Commissioner
Tate County, Mississippi

N.E. Reed, Judge/Executive Retired
Edmondson County, Kentucky

Larry Vickery, Supervisor
Electric Department of Calhoun, Georgia

Ron Banks
Southeast Tennessee Development District

Gerald N. Barksdale, Commissioner
Limestone County, Alabama

Ron Woody, County Executive
Roane County, Tennessee

Representative Bill Harmon
Tennessee General Assembly

Brent Greer, Mayor
Henry County, Tennessee

Jack Horton, County Manager
Macon County, North Carolina

Milla Sachs, Executive Assistant
Mayors Office Guntersville, Alabama



Association of Tennessee Valley Governments
Winter Meeting January 18 & 19, 2017
Crown Plaza – Knoxville, TN
400 West Summit Hill Drive

January 18, 2017 (Eastern Time Zone)

ATVG Program

- 11:30 a.m. Lunch at the Crown Plaza
1:00 p.m. Welcome and Introductions - Gary Reasons, ATVG President
1:15 p.m. TVA Update - Bert Robinson, TVA
1:45 p.m. TVA Payment-in-Lieu-of-Taxes - Stephen Schoonfield, TVA
2:15 p.m. TVA Police - Todd Peney, TVA
2:45 p.m. The Changing Electric Industry - Austin Carroll, Hopkinsville ElectricSystem
3:15 p.m. Break
3:30 p.m. Tour of TVA River Management Center
5:00 p.m. ATVG Board Meeting
5:30 p.m. Hospitality Hour - Crown Plaza Hospitality Suite
6:45 p.m. Dinner - Downtown Grill & Brewery

January 19, 2017

- 7:30 a.m. Breakfast at Crown Plaza
8:45 a.m. Bus Tour of Bull Run Steam Plant

Please help us make necessary arrangements by letting us know if you will be attending. Send the enclosed registration form by email to: registration@atvg.org or by U.S. mail to: ATVG, P.O. Box 3578, Clarksville, TN 37043.

Association of Tennessee Valley Governments Meeting Registration Form
Registration Fee: \$40.00 for members and affiliates; \$95.00 for non-members

Name: _____

E-Mail: _____

Spouse's Name: _____

Registration Fee for spouse is included/No additional charge

Company/Organization: _____

Full Address: _____

Make checks payable to: Association of Tennessee Valley Governments- P.O. Box 3578 – Clarksville, TN 37043



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