

RESOLUTION 09-06

A RESOLUTION SUPPORTING DUCK RIVER AGENCY'S APPROVAL OF COLUMBIA POWER AND WATER SYSTEM'S REQUEST TO INCREASE THE AGENCY'S (DRA) FUNDING OF THE OLD COLUMBIA DAM STABILIZATION PROJECT

WHEREAS, the City of Spring Hill is a Regular Member of Duck River Agency Technical Advisory Committee; and

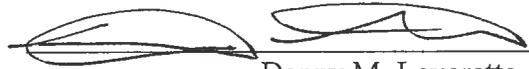
WHEREAS, Duck River Agency approved the request of Columbia Power and Water Systems for an increase of the Agency's funding of the Old Columbia Dam Stabilization Project from \$600,000.00 to \$859,250.00, being 50 % of the actual cost; and

WHEREAS, according to each water system's agreement, the governing board of each system is required to approve the additional \$259,250.00 and

WHEREAS, the total amount of the project was increased for the reason that the original cost presented was an estimate and the actual cost subsequently had been contracted by Columbia Power and Water System; and

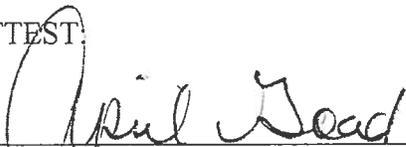
NOW, THEREFORE, BE IT RESOLVED, by the Board of Mayor and Alderman of Spring Hill, Tennessee, that the Board, supports Duck River Agency's approval of the request to increase the funding of the Old Columbia Dam Stabilization Project.

Adopted this 17th day of February, 2009.



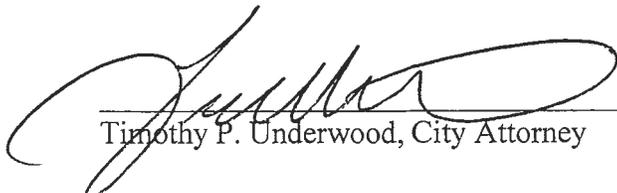
Danny M. Leverette, Mayor

ATTEST:



April Goad, City Recorder

LEGAL FORM APPROVED:



Timothy P. Underwood, City Attorney

DRAFT
TENNESSEE DUCK RIVER DEVELOPMENT AGENCY
BOARD OF DIRECTORS MINUTES
January 22, 2009

The Board of Directors of the Tennessee Duck River Development Agency met in regular quarterly session on the above date at Henry Horton State Park, 6:30 p.m.

Board Members Present

Gene Crowell
Thomas Smith
Bill Walter
Eslick Daniel
Larry Lance

Freddie Stacey
John Miller
Joanne Pogue
Matt Mulliniks
Betty Superstein

Don Gallagher
Phil Bittle
Louis Deken
Jim Bailey
Eugene Ray

Board Members Absent

Jill Hunt

Tommy Peebles

Others Present

William Massey, FFM Bank
Rick Mullen, FFM Bank
Jill Garrett, DRA

Doug Murphy, DRA
Justin Adams, Trauger & Tuke
Tom Puckett, HB&TS

Jim Clark, CPWS
Kelly Powell, CPWS
Clint Confehr, Reporter

Gene Crowell, Chairman, declared a quorum present and presided over the following items of business:

Governor Appointments: Mr. Crowell introduced the board to the newly appointed members, Eugene Ray and Bill Walter. He informed the board that Joanne Pogue, Thomas Smith and Jim Bailey had been reappointed to the board and other county appointments should be completed in the following weeks.

Minutes: Minutes of the October 23, 2008, meeting of the Board were approved as presented on motion by Betty Superstein, seconded by Louis Deken and carried.

Financial Reports: All Financial Statements for the period ended December 31, 2008, had been mailed to each Board Member prior to the meeting date. Louis Deken and Jill Garrett presented the financial statements. William Massey also gave each board member an investment report for each of the 3 trust accounts he oversees for the Agency. (See Attachment) The Financial Statements were approved as mailed on motion by Phil Bittle, seconded by Freddie Stacey and carried.

Other Financial and Administrative Items:

Comprehensive Annual Financial Report: Beverly Horner had presented the 2008 Audited Comprehensive Annual Financial Report to the board during the work session the preceded the board meeting.

New Copier: Jill Garrett informed the board that the copy machine the Agency currently owns is outdated and replacement parts for it would be difficult to locate. She presented the board with a proposal from Bagwell Office Systems (See Attachment) and informed the board that Option 2 (Canon 1022I) was currently being tested by management, would suit the needs of the Agency, and the cost had been compared to several other dealers (See Attachments) and was reasonable. Betty Superstein made a motion to approve the purchase of the copier. The motion was seconded by Louis Deken and carried.

General Agency Business:

Comprehensive Water Supply Plan: Doug Murphy informed the board that DRATAC recommended entering into negotiations with O'Brien and Gere. Since there were concerns from some board members the Agency would include in the negotiation the possibility of hiring separate organizations such as a public relations firm, other consultants, etc., to strengthen the plan. Mr. Murphy also recommended that the

Chairman and Vice-Chairman of both the DRA Board and DRATAC assist him in the negotiation process. Jim Bailey made a motion to accept DRATAC's recommendation and enter into negotiations with O'Brien and Gere. Larry Lance seconded the motion and it carried.

DRATAC Minutes: Doug Murphy reported that the board packet included the minutes of the October 8, 2008, November 5, 2008 and January 14, 2009 (draft) DRATAC Minutes.

Program Committee Minutes: Doug Murphy reported that the board packet also included the minutes of the December 8, 2008 and January 6, 2009 Program Committee Minutes.

Old Columbia Dam Stabilization Project: Doug Murphy informed the board that DRATAC had approved and recommended the Agency to increase the funding from \$600,000 to \$859,250 (50% of total cost) for the Old Columbia Dam Stabilization Project. The total amount of the project was increased because the original amount presented to the board was an estimate and the actual cost had subsequently been contracted by CPWS. Jim Bailey made a motion to increase funding for the Old Columbia Dam Project from \$600,000 to \$859,250 (50% of total cost) as recommended by DRATAC. Thomas Smith seconded the motion and it carried.

OTHER BUSINESS

Next Meeting Date: Mr. Crowell informed the board that the next board meeting was set for April 23, 2009 at 6:30 p.m.

There being no other business Phil Bittle made the motion to adjourn the meeting, seconded by Freddie Stacey and carried. Chairman Crowell adjourned the meeting.

Respectfully submitted,

Joanne Pogue
Board Secretary

AGREEMENT
Between
TENNESSEE DUCK RIVER DEVELOPMENT AGENCY
And
CITY OF SPRING HILL, TENNESSEE

Adding the CITY OF SPRING HILL, TENNESSEE as a signatory to the FOURTH MODIFICATION AGREEMENT.

This agreement is made and entered into this 15th day of March, 2008, by the Tennessee Duck River Development Agency, a corporation organized and existing by virtue of an act of the General Assembly of the State of Tennessee (1965 Tenn., Public acts, Chapter 80 ("DRA")), and the CITY OF SPRING HILL, TENNESSEE.

RECITALS

- A. DRA and the Water Systems (CITY OF MANCHESTER, TENNESSEE, TULLAHOMA UTILITY BOARD, SHELBYVILLE POWER, WATER & SEWERAGE BOARD, CITY OF LEWISBURG, TENNESSEE, BOARD OF PUBLIC UTILITIES OF THE CITY OF COLUMBIA, TENNESSEE, and BEDFORD COUNTY UTILITY DISTRICT) entered into an Agreement on September 13, 1971 as modified on November 1, 1988, August 17, 1994, August 1995, and December 9, 1999 (collectively the "Water Systems Agreement"), pursuant to which DRA agreed to provide for the availability of water to the Water Systems and the Water Systems agreed to pay into the Original Trust Fund, and subsequently after the first modification of this agreement, into Trust Fund B five cents (\$0.05) for each 1,000 gallons of water sold each month. A copy of the December 9, 1999 Agreement (referred to herein as the Fourth Modification) is attached hereto as Exhibit A.
- B. DRA and the Tennessee Valley Authority ("TVA") have signed an agreement, Contract No. 99RE3-255721 ("DRA/TVA Agreement") which terminates and supersedes Contract No. TV-35326A. The DRA/TVA Agreement acknowledges that the Columbia Dam portion of the Duck River Project will not be built and disestablishes the project with the actions summarized below, which will impact the future water supply and water quality in the Duck River Watershed. The DRA/TVA Agreement:
1. establishes a protective corridor along the river by transferring to the State of Tennessee, with deed restriction, land purchased by TVA for the Columbia Dam (6,800 acres).
 2. sets aside the land purchased by TVA for the Columbia Dam, which would be needed for an impoundment at Fountain Creek (3,800 acres) should that option prove necessary in the future (until 1 January 2050).
 3. provides funding to TVA for the completion of the Water Supply EIS, which can be the basis for a project to meet the already identified future water supply needs of the region.

4. provides for the funds in Trust Fund A, to be put into a new Water Projects Escrow Account to be used only for water supply infrastructure projects in the Duck River Area, including, possibly, a water supply and recreation reservoir. DRA shall be consulted in the development of and shall approve selection of projects to be funded from this account.
 5. requires establishment of a Water Supply Fund to receive funding from DRA as agreed upon to settle all issues identified in the contract compliance audit of DRA/TVA. Like the Water Supply Escrow Account, the Water Supply Fund can only be used for the "development of new or improved water supply infrastructure in the Duck River Area." Project approval for this Trust required 60% of a proportional vote of the Water Systems based on their contribution to Trust B or the Water Supply Fund in the year prior to the vote.
- C. It is in the mutual interests of the parties and to the benefit of water users in the Duck River Area for the DRA/TVA Agreement to be fully executed and that the funds contained in the Water Projects Escrow Account, the Water Supply Fund and Trust Fund B be wisely spent to secure a sufficient and safe water supply for the Duck River Region to the year 2050.
- D. The CITY OF SPRING HILL, TENNESSEE, wishes to join as a party to the Fourth Modification Agreement.

AGREEMENTS

NOW THEREFORE, in consideration of the foregoing premises and mutual covenants contained below the parties agree as follows:

The CITY OF SPRING HILL, TENNESSEE, hereby agrees to all the terms and conditions of the Fourth Modification Agreement attached as Exhibit A hereto and incorporated herein as if fully set forth verbatim.

IN WITNESS WHEREOF, the parties have executed this Agreement by their respective duly authorized representatives as the day and year first written above. The persons signing below each attest and represent that they have the authority to sign on behalf of their respective principals and that their signature on behalf of the same constitutes a binding agreement.

TENNESSEE DUCK RIVER DEVELOPMENT
AGENCY

BY: Larry Fred Stang

TITLE: Chairman

ATTEST: Jill Bennett

CITY OF SPRING HILL, TENNESSEE

BY: [Signature]

TITLE: Mayor

ATTEST: [Signature]

EXHIBIT A
To
Agreement between Tennessee Duck River Development Agency
and City of Spring Hill, Tennessee

Fourth Modification Agreement among Duck River Development Agency and City of Manchester, Tennessee, Tullahoma Utility Board, Shelbyville Power, Water & Sewerage Board, City of Lewisburg, Tennessee, Board of Public Utilities of the City of Columbia, Tennessee and Bedford County Utility District dated December 9, 1999.