

**REVIEWING THE TENNESSEE VALLEY AUTHORITY'S
PROHIBITION ON HOUSEBOATS**

HEARING
BEFORE THE
SUBCOMMITTEE ON
GOVERNMENT OPERATIONS
OF THE
COMMITTEE ON OVERSIGHT
AND GOVERNMENT REFORM
HOUSE OF REPRESENTATIVES
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REVIEWING THE TENNESSEE VALLEY AUTHORITY'S PROHIBITION ON HOUSEBOATS

Friday, September 23, 2016

HOUSE OF REPRESENTATIVES,
SUBCOMMITTEE ON GOVERNMENT OPERATIONS,
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM,
Washington, D.C.

The subcommittee met, pursuant to call, at 9:34 a.m., in Room 2247, Rayburn House Office Building, Hon. Mark Meadows [chairman of the subcommittee] presiding.

Present: Representatives Meadows, Jordan, Walberg, Buck, Grothman, Connolly, Maloney, and Plaskett.

Mr. MEADOWS. The Subcommittee on Government Operations will come to order. And without objection, the chair is authorized to declare a recess at any time.

I want to start out by saying good morning and welcome, and thanking my colleagues. This is one of those days where when the schedule was changed, obviously, Mr. Walberg, who is the vice chair of the subcommittee, and Mr. Connolly, who is the ranking member of this subcommittee, adjusted their schedules to remain here, and so on behalf of myself and all those that I represent, I want to acknowledge that, and I thank you.

I also want to make a welcome to all those that not only have traveled so far and are here today to testify and come and be here on this important issue, but those on a Webcast, that we probably had more calls about how to view this particular hearing than others that would maybe make the headlines of The Washington Post. So it is refreshing to see that so many people are wanting to get involved.

The Tennessee Valley Authority, or the TVA as it's known, is a Federal corporate agency of the United States, and in May of this year, the board of directors of TVA actually proposed a policy to prohibit all new floating homes on the 49 reservoirs in the seven southeastern States. This proposed policy also required the removal of all floating homes after a 30-year sunset provision. For the hard-working homeowners in the TVA's jurisdiction of Virginia, Tennessee, North Carolina, Georgia, Alabama, Mississippi, and Kentucky, this proposed policy would be devastating.

Now, I've said this before and I will say it again, this is yet another example of the Federal Government getting involved without seriously evaluating the consequences placed on taxpaying families. And as we will hear in testimony today, those impacted, some of whom have lived on these reservoirs for generations, feel genuinely outraged and misled. For example, many were promised in 1978,

when TVA put forth a rule that it would subsequently really never enforce for nearly 40 years, that existing houseboats would be grandfathered in, and yet, here we are today. Those that are owners of the grandfathered houseboats are being told to start packing their bags. What's more, the number of floating homes that have increased over the decades and the homeowners in the Tennessee Valley have invested tens of thousands, and, indeed, tens of millions of dollars into new or existing floating homes.

You know, in my home State of North Carolina, hundreds of families will be forced to move from their homes, many of whom who have enjoyed those and lived there for years and years and years, if not decades. This policy would be also detrimental financially to the impact on the region, and will become nearly impossible for those families, now that we have this sunset provision, to sell their floating homes when you look at it, not to mention the fact that it will dampen the thriving houseboat tourism communities that are in many of some of the most difficult, economically-challenged areas in the southeast.

Today, we will also hear whether or not those purported improvements, the removal of the houseboats, will have on the environment, and is that accurate and is this an infringement that's worth taking on to invade the personal liberties and freedoms to live where one chooses?

Instead of focusing on this policy, the TVA, in my opinion, should focus its energies on its critical priorities. I don't know that I've ever been more clear in my position to leadership of an agency or subagency, or in this case, a Federal corporation, in terms of my disapproval of a particular decision than this. For example, providing electricity for businesses and customers and the local power distributors of some 9 million people in the southeast, instead of displacing the homeowners, perhaps TVA should focus on its current efforts to sell a nuclear plant, which, by some public accounts, is being sold for \$36 million after investing \$5 billion. \$5 billion, and you're going to sell it for \$36 million. Or perhaps you need to look at continuing to work on the cleanup of the Kingston plant coal ash dump that actually contaminated drinking water of over a million people.

So I guess my concern here today is, what is the priority? Is the priority affecting the property rights of so many people that are here and watching, or is it what TVA was originally designed for, and that was, to produce energy and to do flood control?

So I'm anxious to hear some of the testimony today. I look forward to, what I would say, a robust discussion as we look to hopefully resolve this particular issue. And again, I thank the witnesses for their participation.

And I recognize the ranking member for his opening statement.

Mr. CONNOLLY. Thank you, Mr. Chairman. And thank you for your concern about this very discrete issue, and for the remove—on the subject of the removal of all nonnavigable houseboats and floating houses from the reservoirs within the jurisdiction of the TVA 30 years from now.

Most are familiar with the TVA, which, by the way, was a great success story of government investment in an underperforming region during very difficult economic times, and, by and large, a

great success story about what—the power of government to do good, and to stimulate economic activity and create jobs, and rescue a region that otherwise would have been left behind.

And I think—I think it's important, in an era where all too often, we hear rhetoric about the hobnail booted government on our necks, and government can't do anything right, that's not true, and it's not true in a very important part of the country, part of which encompasses my State of Virginia.

TVA is now a self-funded agency, supplying 9 million Americans and businesses with low cost electricity across seven southeastern States. The agency has a long history of supporting the economic development and prosperity of residents and businesses in Alabama, Georgia, Kentucky, Mississippi, North Carolina, Tennessee, and Virginia, areas where, at least if I had my chance, I'd be reminding people about the good government can actually do. Don't get too carried away with that smaller government thing, because that's not how your region advanced.

And it attracts \$7.8 billion of direct investment alone last year. I think that's a pretty important and impressive track record.

Today's hearing on floating houses highlights a lesser-known responsibility of the TVA. In 1933, when Congress created the agency, it provided TVA with broad jurisdiction to regulate obstructions that affect navigation, flood control of public lands across, along, or in the Tennessee River or any of its tributaries.

Privately-owned nonnavigable houseboats and floating houses have been located on agency reservoirs since at least the 1950s. And despite a ban on new construction since the 1970s, these structures have proliferated, numbering over 1,800, with only half of them holding a permit, according to TVA.

Now, many have asked why TVA has not enforced its own prohibition for nearly 40 years, but Mr. Chairman, I'm encouraged that since his appointment in 2012, Mr. Johnson, TVA's CEO, has acknowledged the problem and has now moved to try to address what he perceives as a problem.

The new rule would impose an eventual ban on existing nonnavigable houseboats and floating homes in 30 years. It would also require new environmental and safety standards until that time. I guess I would propound two principles from my perspective. One is, that the status quo's unacceptable. There are inherent safety problems, inherent pollution problems. You know, people—we have to strike a balance, but—that's the second point, we have to strike a balance. There are people who live and are where they are, and we've got to take that into account and we've got to be sensitive, as you indicated, Mr. Chairman, to their plight, their condition, their assumption that they were grandfathered in. And on the other hand, we also have a broader responsibility to the public that, you know, you don't get an ear infection when you go in the lake or the river because of uncontrolled waste coming from these structures; you don't put yourself at risk of electrical shock because we're not being as careful as we could be about how wiring is connected to these structures.

So, you know, we have a genuine challenge, but I think we have to proceed in a balanced way, and I think we—certainly the chair-

man has done, I think, an eloquent job of advocating for those who will be affected directly, and that's not a trivial matter.

And so I look forward to this hearing, Mr. Chairman, especially to hear from the TVA about how are they approaching that balance, how are we making sure that we are caring for all of our citizens, including those who will be directly affected some time over the next 30 years by this rule, and the challenges you face in trying to implement that. So I'm glad we're—I'm glad we're having a hearing that tries to do both, look at the rule as objectively as we can, but also advocate on behalf of our constituents, who certainly will be affected, some of them very adversely by this rule, when and if it goes into effect.

Thank you, Mr. Chairman, for having this hearing.

Mr. MEADOWS. I thank the gentleman. And I will make an open invitation that the next hearing will actually be a site hearing on one of these beautiful reservoirs. How about that? We'll look at that.

So I'd like to hold the record open. We'll hold it open for 5 legislative days for any member who would like to submit a written statement.

We'll now recognize our panel of witnesses. I'm pleased to welcome Mr. William Johnson, the President and CEO of the Tennessee Valley Authority. Welcome, Mr. Johnson; Ms. Laura Sneed, founder of the Fontana Families for Floating Houses. Ms. Sneed, welcome; Mr. David Monteith, the vice chairman of the Swain County Board of Commissioners, welcome, Commissioner; Mr. Michael Wilks, president of the Tennessee Valley Floating Home Alliance. Welcome, Mr. Wilks; and Mr. Michael Butler, chief executive officer of the Tennessee Wildlife Federation. Welcome, Mr. Butler. Welcome to you all.

Pursuant to committee rules, all witnesses will be sworn in before they testify, so if you would please rise and raise your right hand.

You can tell a lot about an individual by his phone ring, so—
Do you—

Mr. JOHNSON. It wasn't me.

Mr. MEADOWS. No. I know it wasn't.

Do you solemnly swear or affirm that the testimony you're about to give will be the truth, the whole truth, and nothing but the truth?

All right. Let the record reflect that the witnesses have answered in the affirmative. We thank you.

In order to allow time for discussion, I would ask that you try to please limit your oral testimony to 5 minutes, but your entire written statement will be made part of the record.

So, Mr. Johnson, we'll recognize you for 5 minutes.

WITNESS STATEMENTS

STATEMENT OF WILLIAM (BILL) D. JOHNSON

Mr. JOHNSON. Chairman Meadows, Ranking Member Connolly, members of the committee, good morning. I'm Bill Johnson, the president and CEO of the Tennessee Valley Authority, and I appre-

ciate the opportunity to be here this morning to talk about this policy.

I've been in TVA about 4 years. Prior to that, I was in the utility business for many decades in North Carolina, and I have a great fondness for that State and the people who live there. Still consider myself a Tar Heel.

You know, TVA is a unique organization. In many respects, it's like a traditional investor-owned utility, but it has some differentiating responsibilities. Our statutory mission has three priorities: the first is, deliver affordable, reliable power; to create sustainable economic growth; and then to steward our region's natural and cultural resources. And over the last 83 years, we've had a number of legacy issues that we've had to deal with, and the TVA board is starting to deal with those issues.

The issue of floating homes didn't develop overnight, it can't be fixed overnight, but TVA and the TVA board have a responsibility to deal with issues like this.

So a little bit about TVA. We provide electricity to more than 9 million people in seven States, including the chair and the ranking member's home States. We receive no taxpayer funding, but we do make tax equivalent payments, and last year, we provided about \$1.5 million in equivalent payments to Swain and Graham County.

Now, we never actually encouraged the construction of floating homes or nonnavigable houseboats. What we did do in the 1970s was recognize the fact that we had them. We grandfathered existing structures after the fact by issuing about 900 permits, so these structures didn't have to be removed immediately. We also, at times, prohibited new structures. We did this in the form of a regulation that has been published in the Code of Federal Regulations since 1978. These permits gave no right to remain on the reservoir in perpetuity, and TVA believed these structures would actually disappear over time. And I don't know how that assumption was made, but it was obviously an incorrect assumption.

Many of the 1970-era structures have been now transferred to new owners or modified. And the problem was compounded by inconsistent or lax enforcement of the TVA policy, with the result that the number of floating homes actually doubled.

Several years ago, we got very concerned about some environmental and operational problems with these houses, and also about the proliferation of them. We actually found some marketing data about a 200 floating-home subdivision to be built right in Knoxville, Tennessee, and we saw a couple of things like this, so we began a thorough policy review, public input process under the National Environmental Policy Act, and we identified, we had about 1,800, I think 1,836 exactly, floating houses on the reservoirs. We took great care to consider all perspectives during the public input process. A lot of people urged us to remove the houses immediately. They argued that if a citizen built a house in a national forest or a hunting lodge in a national park, these would be removed immediately.

Others expressed concern about safety and environmental issues, gray water, anchoring, electrical connections. Structure owners and marina operators were generally receptive to better regulation, but obviously wanted the structures to remain.

We estimated in the NEPA process that if we did nothing, the number of floating houses would, again, double over the next 30 years. We got input from the Federal Advisory Committee on Natural Resources, FACNR, which has a gubernatorial appointment from each of the States we are in. That board advised a 20-year sunset period. So I think there's a general consensus by all parties that health, safety, and environmental standards have to improve for these houses. So after the review, the TVA board approved a policy to establish new safety and environmental standards for existing structures.

As had been noted, the policy also prohibits new floating houses, which technically have been prohibited since 1978. It requires all floating houses to be removed from the reservoirs within 30 years. So we believe the extensive sunset period helps mitigate, helps balance the impact on the floating homeowners. I do want to note that concerns that Chairman Meadows expressed actually helped move that sunset from 20 to 30 years.

For us, alternatives to the sunset provision imply indefinite personal property rights for a select few on a public resource. And neither TVA nor the TVA board believe it has the authority to create personal property rights in publicly-owned resources, and we think the Congress is really the only body that has the right to do that.

So with that, I'll look forward to answering your questions. Thank you.

[Prepared statement of Mr. Johnson follows:]

**Written Testimony of
William Dean Johnson
President and Chief Executive Officer
Tennessee Valley Authority
As submitted to the
U.S. House Committee on Oversight and Government Reform
Subcommittee on Government Operations
September 23, 2016**

Chairman Meadows, ranking member Connolly, and members of the Committee, my name is Bill Johnson, President and CEO for the Tennessee Valley Authority (TVA).

I appreciate the opportunity to appear before the committee to explain TVA's new policy on non-navigable houseboats and floating houses. I recognize the unique interest Chairman Meadows has in this local issue.

This December will complete my fourth year as CEO at TVA. Prior to joining TVA, I spent a few decades in the utility business in North Carolina and have a fondness for that state and its people. I have the rare distinction of being a graduate of both Duke University and the University of North Carolina-Chapel Hill, which has made for some interesting conversations during basketball season on Tobacco Road.

When I came to TVA, I quickly realized it was a unique organization with a long and rich history. While it operates and functions in many ways much like an investor-owned utility, it has statutory authority and significant responsibilities that differentiate it from other energy companies. That's because TVA's mission of service, as envisioned by Congress, is to deliver affordable, reliable power, care for our region's natural resources and create sustainable economic growth.

As an organization that has been in existence for more than 83 years, TVA is not without some legacy issues – pension funding, the occupation of public campgrounds for personal use and

others. The TVA Board has taken action to resolve many of these. The subject of today's hearing – how to address private structures on public reservoirs – is another one of these legacy issues, and like the others, it did not develop overnight and cannot be fixed overnight. But TVA and the TVA Board have a responsibility to address difficult issues on behalf of the 9 million people we serve and this nation.

Over the last few years, TVA and the TVA Board have heard from many concerned citizens about the issue of floating houses on our reservoirs, including many near TVA's Fontana Reservoir in western North Carolina. We do appreciate the manner in which most parties have approached TVA and commented on this issue, especially to those, like Mr. Wilks and Ms. Sneed, who addressed the TVA Board at our last two quarterly Board Meetings. They have been passionate and respectful in their comments.

There are many differing viewpoints of this issue. We acknowledge it is a personal and emotional experience for many. The TVA Board, using its authority in the TVA Act, believes it has struck a balance in approving a policy that represents the varying interests and seeks to protect the natural resources entrusted to TVA's care.

Before I get into the issue of today's hearing, a little bit about TVA.

About TVA

TVA was created by Congress in 1933 as a corporate agency of the United States charged with a unique mission: to improve the quality of life in a seven-state region through the integrated management of the region's resources. To help lift the Tennessee Valley out of the Great Depression, TVA built dams for flood control, provided low-cost power and navigation, restored depleted lands, improved agriculture and forestry and helped raise the standard of living across the region.

Today, TVA provides electricity for business customers and local power companies serving nine million people in parts of seven southeastern states. The region covers most of Tennessee and parts of Alabama, Georgia, Kentucky, Mississippi, North Carolina and Virginia. TVA also provides power directly to large industrial customers and federal installations. Virtually all of TVA's revenues are derived from sales of electricity.

I am proud of TVA and its employees who have worked hard in recent years to improve our financial and operational health. Over the last three years, with the strong support of the TVA Board, TVA has reduced its annual operation and maintenance expense by \$600 million, reduced fuel expense by nearly \$1 billion, reduced headcount to the lowest level since 1934, reduced its debt by nearly \$1 billion, made significant investments in emission control equipment to improve air quality and improved operational performance in all key areas.

We have nearly completed the first new nuclear plant of the 21st Century, and we will fund TVA's capital plan for the next decade while simultaneously reducing our debt to about the \$20 billion level. We have accomplished this while improving our rate competitiveness – industrial rates are top quartile and retail are mid-second quartile.

TVA last received power appropriations from the Congress in 1959, and those appropriations cumulatively totaled approximately \$1.4 billion. In 2014, TVA completed repayment of \$1.2 billion in appropriation investment and has paid interest amounts totaling \$2.6 billion to date, for total payments of \$3.8 billion to the U.S. Treasury. In total, The U.S. Government has been fully repaid and now holds a \$258 million permanent equity position in TVA, on which TVA will continue to pay interest in perpetuity.

TVA makes tax equivalent payments on the order of \$500 million to the eight states, including North Carolina and Virginia, where it sells electricity or owns generating plants, transmission lines, substations or other power-related assets. In addition, tax equivalent payments are made to 146 municipalities where TVA owns property. The payments compensate state and local governments that cannot levy property or sales taxes on TVA as a federal entity.

With one very small exception, Graham and Swain county residents in North Carolina are served by utility providers other than TVA. TVA ratepayers made tax equivalent payments totaling over \$1.5 million to Graham and Swain counties last year. State and local governments distribute these funds solely based on their own formulas and discretion to support a variety of initiatives, including schools, fire departments and other emergency response agencies, tourism and recreation, and human service organizations. We believe this investment has been beneficial to this region.

TVA also has stewardship responsibility for about 11,000 miles of reservoir shoreline, approximately 293,000 acres of reservoir land, and 49 reservoirs encompassing approximately 650,000 surface acres of reservoir water used for recreation, aquatic and wildlife habitat, water supply and industrial access.

In addition, TVA manages over 170 agreements with private entities for commercial recreation (such as commercial campgrounds and marinas), manages 130 agreements with public agencies for public recreation (such as public parks, day use areas, boat launches, and swimming areas) and is responsible for over 80 public recreation areas throughout the Tennessee Valley.

TVA funds all its water and land stewardship activities from power revenues, user fees and other non-appropriated sources. No appropriations have been received by TVA for these

activities since fiscal year 1999. TVA has implemented stewardship projects near Fontana Reservoir totaling over \$1 million in investment of electric ratepayer funds.

TVA Governance

TVA is governed by its Board of Directors, which has nine part-time members when fully constituted, at least seven of whom must be legal residents of the TVA service area. The TVA Board members are appointed by the President with the advice and consent of the U.S. Senate. Their responsibilities include, but are not limited to: formulating broad strategies, goals, objectives, long-range plans and policies for TVA; stewarding TVA's natural resource portfolio; reviewing and approving TVA's overall energy resource and transmission portfolio; shepherding the financial health of TVA; reviewing and approving annual budgets; setting and overseeing electricity rates; and establishing a compensation plan for employees.

Floating House history

When looking at the issue before us today, a little history might be helpful. First, TVA never invited or encouraged the construction of non-navigable houseboats or floating houses on its reservoirs. In fact, TVA has never granted rights or sold property for the construction or use of floating houses on its reservoirs at all.

What we did do in the 1970s was grandfather existing structures, known as non-navigable houseboats, "after the fact" by issuing them permits so they did not have to be immediately removed. When TVA gave these structures permission to remain on the reservoir nearly 40 years ago, it also prohibited any new structures. This was done through rulemaking and is published in the Code of Federal Regulations at 18 C.F.R. Section 1304.

The permits issued in the 1970s gave no permission or right to remain on the reservoir in perpetuity. Instead, TVA provided a revocable permission for these structures to be an

obstruction in the reservoir, much like a dock or marina. At the time, TVA believed the permitted non-navigable houseboats would slowly disappear over time as they deteriorated. This was clearly an incorrect assumption, and it was a mistake by TVA to not implement a sunset provision on these structures then.

In 2006, the TVA Board approved its Land Policy, which was developed after significant public involvement. The Land Policy governs the management of public lands to maximize public enjoyment, flood control, navigation, power production and economic growth and includes a prohibition on using TVA lands for residential use. It specifically states "TVA shall not allocate lands or landrights for residential use or dispose of reservoir properties for residential use." The Land Policy goes on to add that "TVA leases or easements for commercial recreation areas will contain restrictions against residential use, and no long-term accommodations or individually owned units will be permitted."

Today, many of those 1978 non-navigable houseboats have since been transferred to new owners or modified. Some owners have obtained updated TVA permits and some have not. Over time, the problem has been compounded by inconsistent and sometimes lax enforcement of the existing TVA policy that has allowed new, unpermitted structures to proliferate.

Floating House policy

TVA's care of the region's natural resources often requires us to deal with challenging issues. Part of that responsibility is to safely manage the river system and other resources to provide the greatest good for the people we serve in the TVA region and the nation.

That question was at the heart of the study we conducted more than two years ago on how to address these privately owned "floating houses" on TVA reservoirs, structures people have built to live part of the year or treat as rental property. TVA had also discovered plans by developers

to build nearly 200 floating houses in sub-divisions on TVA's reservoirs. It's a brazen plan that amounts to the commercial development of entire private communities on public waters. The growing trend over time is the modification or construction of structures more like houses that are then argued to be boats.

As a result, TVA began a thorough policy review and public-input process under the National Environmental Policy Act after identifying more than 1,800 of the structures on 16 TVA reservoirs. The environmental review process included numerous public meetings and opportunities for stakeholders to provide their views regarding TVA's future management of floating houses. During the final environmental impact statement, TVA received more than 151 separate comment submittals and 434 individual comments.

We took great care to consider all perspectives on this issue, as well as the environmental and safety impacts of floating houses.

Some lake users and shoreline residents urged TVA to remove the structures immediately and did not believe it appropriate for a private individual to commandeer the public lake for residential type use. Like national and state parks and forests and other federally managed lands, which all prohibit private residential use of public resources, the lands and waters we manage are owned by the public. If a citizen tried to build a vacation home in Smoky Mountain National Park or a hunting lodge in Cherokee National Forest, the Park Service and Forest Service would stop those actions.

Many commenters also expressed concerns that the growing presence of house-like structures was causing greater safety and environmental issues such as the discharge of greywater, underwater electrical supply and unsafe anchoring cables.

Numerous federal and state agencies, including the U.S. Department of Interior and the North Carolina Wildlife Resources Commission, also weighed in to support the TVA Board policy.

Structure owners and marina operators generally were supportive of better regulation and standards, but argued against removal.

We also received input from the Regional Resource Stewardship Council, a Federal Advisory Committee that advises TVA on resource management. Council members represent stakeholders across the region, and the Council encouraged public comment as part of its own look at the question of floating houses. The Governor of each state touched by TVA has an appointed member to the Council.

A few Council members voiced concerns, but the Council's official advice to TVA on this topic said that:

- No new floating houses should be allowed;
- All existing floating houses should be removed in less than 30 years; and
- TVA should implement and enforce regulations to this effect.

After consideration of these perspectives, the TVA Board directed staff to establish standards for permitting existing floating houses so they meet safety and environmental standards. It also prohibits new floating houses from being permitted, and all floating houses including non navigable houseboats must be removed from TVA reservoirs within 30 years.

TVA believes giving compliant homeowners until 2046 to continue enjoying their homes during the extensive sunset period helps mitigate the impact on floating house owners. It should be noted that the concerns Chairman Meadows and other Members of the TVA delegation

expressed to me and the TVA Board were instrumental in extending the sunset period from 20 to 30 years.

Alternatives to the sunset provision imply indefinite personal property rights for a select few people on reservoirs that TVA manages for the general public. Unlike manufactured houseboats, floating houses generally cannot be removed from the water and, once constructed, the owners desire them to remain in place forever. TVA and the TVA Board recognized that without TVA action, floating houses were, in effect, personal property rights in perpetuity. Neither TVA nor the TVA Board has the authority to create a permanent personal property right in publicly owned resources, and we believe that the creation of such a private right is the purview of Congress.

TVA Authority

In previous correspondence and conversations, Chairman Meadows expressed concern that the TVA Board does not possess the authority to take these actions. On this question, we may have to agree to disagree.

TVA's floating house policy fits squarely within the bounds of the TVA Act, which charges TVA with the unified development and regulation of the Tennessee River System. This authority gives TVA discretion to approve the construction and operation of obstructions that affect navigation, flood control and public lands. The U.S. District Court for the Western District of North Carolina has held that TVA's regulation of non-navigable floating structures is consistent with Section 26a of the TVA Act.

As noted earlier, TVA permits do not create property rights, as TVA's regulations make clear. The Board's policy is an exercise of TVA's authority to place reasonable limits on floating houses.

Next Steps

After the Board approved its policy this past May, it directed TVA staff to continue to meet with local communities and property owners affected before finalizing the implementation guidelines. TVA staff has done that and continues to meet with interested parties on the issue to ensure we have identified all concerns.

We have also reached out to owners affected by the sunset provision and are open to hearing proposed ideas for a balanced solution to address the range of concerns TVA has heard. While we continue that dialogue, any proposed solution by those affected must address the issue of private use of a public resource.

TVA staff is preparing to finalize the implementation guidelines sometime within the next few months, unless directed otherwise by Congressional action. TVA will continue to work with all parties in a fair and reasonable manner to ensure we manage our nation's resources for the benefit of everyone.

Thank you for the opportunity to address the Committee, and I look forward to your questions.

Mr. MEADOWS. Thank you, Mr. Johnson.
Ms. Sneed, you're recognized for 5 minutes.

STATEMENT OF LAURA SNEED

Ms. SNEED. Mr. Chairman and members of the committee, I want to thank you for the opportunity to share my perspective on the impact of TVA's decision to sunset floating homes. I'm Laura Sneed, and I'm the cofounder of Fontana Families for Floating Houses, and I'm also a member of the Tennessee Valley Floating Home Alliance. I'm also a wife and a full-time working mother of two boys and two grown step-children.

Prior to moving to Cherokee, North Carolina, I grew up in Minnesota with memories of time spent at the lake. All I wanted was for my children and future grandchildren to have similar life experiences, and floating homes allowed us to do that.

As we were an expanding family, my husband, Eric, and I purchased two modest grandfathered pre-1978 nonnavigable houseboats on Fontana Lake. In February 2006, the TVA announced they were recommending a 20-year sunset provision based on their recently completed Environmental Impact Statement. This was an involuntary removal of 1,836 floating homes from the TVA reservoirs, and included the 918 previously grandfathered homes. I was completely shocked and devastated, as I never expected my family would lose our homes. Ultimately, the TVA board voted for a 30-year sunset, but the financial and emotional impacts have been felt immediately.

This decision has created pain and anxiety from so many U.S. citizens with varying income levels, races, ages, and political party affiliations. These homeowners are not only from North Carolina and Tennessee, but also travel from Florida, Georgia, Illinois, Indiana, Kentucky, Ohio, Oklahoma, South Carolina, Virginia, and West Virginia. On Fontana Lake, many homeowners are also enrolled members of the eastern band of Cherokee Indians, including my husband and my children.

As responsible homeowners and frequent users of the lake, most of us are not against reasonable regulations. The majority of homeowners are worried about the proposed annual fee of \$0.50 per square foot for nongrandfathered and modified homes. If the fees were to apply to our homes, there would be a 50 percent increase in our costs to legally moor them.

According to the TVA, up to 20 to 30 percent of the homes will be removed after these go into effect. That's up to 550 families who are going to lose their American dream.

The sunset will also have a negative impact on all our local economies, and may destroy the family-run businesses of our marinas. According to the Alarka boat dock owner, Tony Sherrill, homeowners make up to 50 percent of his revenue.

When one couples the loss of income with the extreme annual drawdown of Fontana, which puts the marinas and homes actually on the ground for several months, they may not be able to diversify and survive. Without the marinas, the already-limited lake access will significantly decrease, and that will be a huge detriment to the public.

The TVA has cited concerns in their EIS justifying the removal, including homes moored on the marinas and electrical and water quality issues. In reality, only about two homes are not moored in the marina limits. At Fontana, homeowners don't have shore power. We do, however, pay monthly mooring fees and have contracts to pump our raw sewage. Ironically, the TVA did not conduct or include any water quality studies in their report. Fortunately, in 2006, an extensive study was performed on Fontana showing that the water quality was generally excellent. As a steward and user of the lake, I care deeply about our environment. And as a protective mother, I would never allow my babies to swim in the lake if it was not safe.

The most recent concern raised by the TVA officials involve the private use of a public resource. This implies the ownership of a floating home is somehow a social concern of fairness driven by privilege. In Swain County, there are 171 houseboats with a taxable value of \$3.5 million. That averages out to less than \$21,000 per home, which is less than a brand-new pontoon boat. Technically, everyone who uses the lake is privately using a public resource. Should the TVA also ban boats, as everyone cannot afford one? We worked hard and bought our homes. Should we all lose them because someone else didn't get the exact same opportunities? We know life isn't fair, but everyone is just trying to live the American dream. If everything in this country was regulated in an effort to balance wealth and property, we'd be another failed communist State, which is not the principles this Nation was founded on.

The TVA also claimed that they're sunsetting floating homes in the interests of the people. Prior to the TVA board meeting, we started an iPetition that received over 3,700 signatures and 900 comments. In addition to public support, Congressman Meadows, and Senators Burr and Tillis, have introduced legislation to allow them to stay. Seven Congressmen and women from Tennessee sent the TVA a joint letter in favor of the homes. The eastern band of Cherokee Indians, the Tennessee State legislature, and numerous local counties have all passed resolutions opposing the TVA's sunset. The TVA board has chosen to ignore all of these public officials, in spite of the fact they are voted in by the people and serve the interests of the people.

In conclusion, the recent actions of the TVA board are a clear example of government overreach that will have a negative impact on our local economies, small businesses, and American families. My family followed the rules, paid the fees, have our permits, and brought our homes up to decent standards, yet we too are being unfairly punished and going to lose something we legally have the right to own.

Although the TVA is a government entity, I ask, who is overseeing their actions and who is holding them accountable? The TVA reservoirs are built for the people of the United States, and as citizens served by that mission, we just want to continue to enjoy them as we have done for decades.

Thank you.

[Prepared statement of Ms. Sneed follows:]

Testimony: Floating Homes on TVA Reservoirs – September 2016

I am Laura Anne Sneed, I live in Cherokee, NC and I am the co-founder of Fontana Families for Floating Houses. My husband Erik and I created the group to support the rights of all floating homeowners and we are also members of the Tennessee Valley Floating Homes Alliance (TVFHA). Both groups were formed in 2016 to oppose the TVA's sunset provision on all floating homes.

In 2014, my family purchased our first pre-1978 non-navigable boathouse on Fontana Lake. We promptly transferred ownership and my husband applied for the TVA Section 26a permit. That fall it was granted and we spent that winter completely remodeling the home. The summer of 2015 we enjoyed it with our family, friends and children. At the time I was pregnant with our second son, so we opted to purchase a second pre-1978 non-navigable boathouse to accommodate our expanding family. Together my husband and I have two young boys and he has two grown children from a previous marriage. Like our first home my husband promptly applied for our 26a permit, received it shortly after (See Appendix A) and we worked that winter to remodel the home.

In February of 2016 TVA officials announced they were recommending to TVA's Board of Directors (Board) that they adopt so-called "Alternative B2" from the list of options outlined in their recently completed Environmental Impact Statement (EIS). Alternative B2 included a "sunset" provision which required the involuntary removal of all floating homes from TVA's reservoirs within 20 years. TVA's Board subsequently adopted Alternative B2 as its new policy on May 5, 2016, with the caveat that the sunset would be extended to 30 years. TVA's action would eventually force 1,836 floating homes of the lakes, including the 918 non-navigable boathouses that were permitted and had been previously grandfathered since 1978. I was completely shocked and devastated as I never imagined we would lose our floating homes, especially since we followed the rules, paid \$1,000 in fees and received Section 26a permits from the TVA.

On May 5, 2016 the TVA board ultimately voted for a 30-year sunset. Despite the ten year increase, the financial and emotional impacts have been felt immediately. This decision has created pain and anxiety for so many people; people that are United States Citizens with varying income levels, races, ages, sexual orientation and political party affiliations. These homeowners are not only from North Carolina and Tennessee, but also live and travel from Florida, Georgia, Illinois, Indiana, Kentucky, Ohio, Oklahoma, South Carolina, Virginia and West Virginia. On Fontana Lake many homeowners are also enrolled members of the Eastern Band of Cherokee Indians, including my husband and our children.

Prior to marrying my husband and moving to the Cherokee Indian Reservation, I was a girl from Minnesota that grew up with priceless memories of spending time with family and friends at various lakes. All I wanted was for my children and future grandchildren to have similar life experiences. Due to the land restrictions at Fontana Lake, buying a modest lake shore cabin wasn't an option for us. Fontana is mostly surrounded by United States Forest Service lands and the Great Smoky Mountains National Park. The only accessible and desirable private lake front property is extremely expensive. These floating homes afford everyday people the ability to enjoy the lake regardless of their income status. The floating home community is a unique collection of owners, including an EMS worker, a North Carolina

State Trooper, a registered nurse, a school bus driver, a chemical engineer, a college professor, Tribal employees of the Eastern Band of Cherokee Indians, retirees, numerous former members of the United States Military, and many others.

Following the sunset ruling, homeowners were suddenly faced with the reality that their floating homes would be worth as little as half the value they were the previous summer. New buyers aren't interested in investing in a floating home at previous market values that will continue to decrease in value as it gets closer to the sunset and will then ultimately have to be destroyed and removed at their own cost.

In addition to the proposed sunset, the TVA is developing new regulations and fee structures for the floating houses. As responsible homeowners and frequent users of the lake, many of us are not against reasonable regulations. I am a Certified Interior Designer (MN #C02400) who focuses on commercial construction and my husband is a NASCLA Certified General Contractor (NC #7476). Together we own a design firm and a construction services business. We understand and agree with the need for codes and regulations for the health, welfare and safety of the public. As long as the regulations are based on reasonable standards and are achievable we support the TVA in this effort.

Along with an initial permitting fee of five hundred dollars (\$500), the TVA has proposed a potential fee of fifty cents (.50¢) per square foot on all non-permitted homes and possibly on permitted homes that have been modified over the years. Although our homes were previously permitted I am going to use them as an example:

Our Current Costs

Swain County Taxes = approximately .0036 X tax value	= \$142.20 in 2016 to Swain County, NC
Pump Contract = \$100 per year	= \$200.00 for 2 homes per year to the marina
Alarka Dock Mooring Fees = \$75.00 per month	= <u>\$1800.00 for 2 homes per year to the marina</u>
Sub Total	= \$2142.20 in annual fees and taxes

New proposed TVA annual Fee

Home 3F-502 = Approximately 819 SF x .50 cents	= \$409.50 per year
Home 3F-430 = Approximately 1,320 SF x .50 cents	= <u>\$660.00 per year</u>
Sub Total	= \$1069.50 per year to the TVA

Grand Total with New proposed TVA fees	= \$3,211.70 in annual fees and taxes
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The TVA proposed fees represent a 50% increase in our current cost to legally moor the homes in the marina. The fee is also 7.5 times what we pay in annual taxes. I ask what services the TVA will be providing to justify charging that amount of money annually? With mooring fees you get a space and a marina operator to manage your home as the lake levels rise and drop. With taxes you get the use of emergency services, roads and garbage disposal at the local dump. With the pump contract your raw sewage is properly removed and disposed of. These costs also don't include the cost to moor a boat at a marina (\$400 per season at Alarka Boat Dock), which is necessary to get to and from our floating homes,

nor do these costs include the fuel required for transportation and any other maintenance costs or insurance premiums home owners may have.

I hope the TVA will be reasonable in their fees and only charge what is minimally necessary, in order to not prematurely remove people from the lake. Sometimes I believe the perception is that floating homeowners are "rich" or wealthy. In many cases, this could not be further from the truth. In Swain County, North Carolina there are 171 houseboats and according to the county tax office, the taxable value is \$3,537,626.00. That averages out to only \$20,687.87 per floating home.

At a meeting with floating homeowners on August 25, 2016, the TVA staff revealed they are projecting to lose up to 20% to 30% of the homes after all the proposed regulations and fees go into effect. That's between 360 to 550 families who would lose their little piece of the American dream. Admittedly there are some homes on Fontana Lake that have been abandoned for years and need to be removed, but the majority are owned and loved by hard working families and retirees.

With the loss of floating homes, there is going to be a significant negative impact on local marinas. On Fontana the Alarka Boat Dock, Prince Boat Dock and Crisp Boat Dock all rely heavily on the income generated from floating homeowners. According to Alarka Boat Dock owner Tony Sherrill, up to 50% of their revenue is generated solely by the floating homeowners that utilize their services. Without this source of income, paired with the extreme annual drawdown of Fontana Lake (Approximately 60' + in the Fall/Winter) which puts the marina and many homes on the ground for several months, these family owned and operated businesses may not be able to diversify and survive. Without these marinas, the already limited lake access will significantly decrease and that will be a huge detriment to the public.

Another consideration on Fontana Lake are the many floating home owners who are also descendants of families who lost property to the TVA when they created the reservoir in the 1940's. Despite the years, the wounds of that land grab are still very raw and this newest "taking" is adding insult to injury to the citizens of Graham and Swain Counties. Both Graham and Swain Counties rely on the funds generated by taxing these floating homes. According to each respective tax office, Swain County collected \$12,735 and Graham County collected about \$34,000 in annual taxes for the most recent tax year. This figure does not include the sales tax collected on gas, groceries and other purchases made by floating home owners and guests while they stay at the lake. In the larger scheme of things, these numbers are not huge, but this loss without any supplemental alternatives will have a significant impact on these counties. For example, Swain County is quite large but they have a very limited tax base as it is also comprised of Forest Service land, the National Park, Fontana Lake and the Cherokee Indian Reservation. The money generated by these floating homes, both directly and indirectly, goes into their general funds and helps support our communities' healthcare systems, education and infrastructure.

In order to justify why all these families must lose their floating homes, the TVA has cited that there "may" be environmental issues, homes moored out of marina limits, and a fairness issue due to the private use of a public resource.

As a steward and frequent user of the lake, I care deeply about our environment. These homes not only provide shelter for us lake goers, but they also provide rich habitats for the fish and other small creatures. Frequently we see fishing boats surround our homes and as we have no claim to the lake and everyone can enjoy the natural resources, we welcome them. In addition, my family also took the initiative to replace all of our old Styrofoam with TVA compliant, environmentally friendly encased black floats. We actually were not alone in this effort and this past winter several fellow homeowners also replaced theirs (which is easier said than done) and all together invested around \$100,000.00 in new compliant flotation at the Alarka Boat Dock alone.

The greatest potential environmental concerns are water quality issues from the dumping of raw sewage. Ironically, the TVA neither performed, nor included, a quantifiable water quality study in their EIS. This concern however is easily dispelled. In 2006 an extensive water quality study (See Attachment B) was performed on Fontana, following the implementation of an extensive grant-funded waste management program. While I am not a water quality scientist or an expert, it is my understanding that this study provided quantifiable proof that the water quality was generally excellent and that the noted issues were primarily coming from the rivers and tributaries feeding the lake. In fairness, one house was found with higher than normal fecal coliform readings nearby, an issue that was never conclusively confirmed as connected to that floating house or any other. As a loving and protective mother I would never allow my children to swim in the lake if it was not safe. Swain and Graham Counties require everyone to have a pump contract with their marinas and the waste is pumped out and properly disposed of regularly. If in fact there are floating homes that are dumping raw sewage, then I would want them off the lake, but it is an overreaction to punish everyone for potential and unsubstantiated actions, especially since the waste issue was effectively dealt with ten years ago and marina operators are diligent in mandating enforcement.

As for homes moored out of the marina limits, Ms. Rebecca Tolene, TVA's VP of Natural Resources, disclosed at the April 26, 2016 meeting of TVA's Regional Resource Stewardship Council (RRSC) that TVA estimates only 2% of the homes are actually moored outside of the marina limits. If that's the case, then that is only 37 homes out of 1,838. At Fontana, many homes "appear" to be out of the marina limits. Due to lake conditions the marinas lease large amounts of shore line verses the marinas on Norris Lake, which are located in more concentrated areas. In my opinion it would make the most sense to address the very few that are not in compliance instead of requiring all homes to be removed.

The most recent concern raised by TVA officials and used as a justification for sunseting our floating homes involves the private use of a public resource. This concern implies that the ownership of floating homes on a public lake is somehow a social concern of fairness that is driven by privilege or financial means. In regard to private use of a public resource, most marinas on Fontana Lake hold leases with the United States Forest Service, and in return sublease to the floating home owners like they do with all the pre-manufactured houseboats. We pay to rent spaces within the marina limits. We are not squatters, nor do we claim to own our mooring locations, the water, or the land. To put it in perspective, Fontana Lake is 10,227.2 acres and the six marinas (including those that do not have floating homes) constitute 997.1 acres, which is only 10% of the overall lake.

Technically, everyone who uses the lake in any way is privately using a public resource. As such, shouldn't the TVA also then ban all boats, since not everyone can afford a boat? Shouldn't TVA consider boat usage as simply another perk for the "rich" or wealthy? One may argue you can rent a boat from a marina, but you can also rent a floating home.

Now I am aware that not everyone can own a floating home, but is removing them the best solution? We worked hard, saved our money, made sacrifices and bought our homes. Should we all lose them because someone else didn't get the exact same opportunities? We all know life isn't fair and I acknowledge there are much worse situations like fighting cancer or losing a child, but everyone in the floating home community is just trying to live the American dream. If everything in this country was regulated in an effort to balance the wealth and possessions of the population, then we'd find ourselves in another one of those failed socialist or communist states that are counter to the principals on which this nation was founded.

TVA frequently points to the motto that is inscribed on their historic dams – "Built for the People of the United States". They do so with the claim that they are sunseting floating homes in the interest of the people. This is despite the fact that many people of the United States want the floating homes to stay. Prior to the May 5th meeting, my husband and I started an iPetition that received over 3,700 signatures and over 900 comments (See Appendix C for an excerpt). Many were from people who were not even floating homeowners. In addition to public support, we have received the support of our elected officials including Congressman Meadows, as well as Senators Burr and Tillis. Seven Tennessee Members of Congress also sent the TVA a joint letter in support of floating homes including: Chuck Fleischmann, John Duncan, Diane Black, Stephan Fincher, Marsha Blackburn, Phil Roe and Scott DesJaris. The Eastern Band of Cherokee Indians (See Appendix D) and the State Legislature of Tennessee (See Appendix E) unanimously passed resolutions to oppose the removal of floating homes. On a more local level, the North Carolina counties of Swain, Graham and Haywood and several counties in Tennessee have all passed resolutions in support of keeping floating homes. The TVA board has chosen to ignore all of these officials in spite of the fact they are voted in by the people to serve the interests of the people.

In conclusion, the recent actions of the TVA Board are a clear example of government overreach that will have a negative impact on our local economies, small businesses and American families, including my own. My family followed the rules, did the paperwork, paid the fees, and brought the homes up to decent standards. Yet we too are being unfairly punished and are going to lose something we legally had the right to own. Although the TVA is a government entity, I ask who is overseeing their actions and who is holding them accountable? The TVA reservoirs are "Built for the People of the United States" and as the Citizens served by that mission, we just want to continue to enjoy them as we have done for decades.

APPENDIX A



Tennessee Valley Authority, 4800 US Highway 64 West, Suite 102, Murphy, NC 28906

October 16, 2015

David Sneed



Dear Mr. Sneed:

FONTANA RESERVOIR – RLR 273146 – MODIFICATIONS TO 3-F-502 - NON-NAVIGABLE HOUSEBOAT – ALARKA BOAT HARBOR – TVA TRACT NO. XTFR-3 – MAP 22 D – ALARKA CREEK – LITTLE TENNESSEE RIVER MILE 82.5 – SWAIN COUNTY NORTH CAROLINA

Attached is a copy of your Section 26a permit for your non-navigable houseboat, 3-F-502, currently moored at Alarka Boat Harbor on Fontana Reservoir.

For your information, TVA's regulations governing authorization (permitting) of water-use facilities and other shoreline alterations are published in Part 1304 of Title 18 of the Code of Federal Regulations and can be reviewed on TVA's web site at <http://www.tva.com/river/26apermits/regs.htm>. Subpart B contains the regulations for non-navigable houseboats. We recommend you familiarize yourself with these regulations and want to take this opportunity to inform you that Sections 1304.101(d) and 1304.103 require the following:

- (1) Approved nonnavigable houseboats shall be maintained in a good state of repair. Such houseboats may be structurally repaired or rebuilt without additional approval from TVA, but any expansion in length, width, or height is prohibited except as approved in writing by TVA; and
- (2) Plans for the structural modification, or rebuilding of an approved nonnavigable houseboat shall be submitted to TVA for review and approval in advance of any structural modification which would increase the length, width, height, or flotation of the structure.

Non-essential modifications which increase the length, width, or height of the approved facility (such as decks, porches, additional living space, or boatslips) are generally not approved by TVA. If you have any questions about your Section 26a permit, the modification of your facility, or TVA's Section 26a regulations please contact me at 865-632-1302 or by email at jlduffey@tva.gov.

Sincerely,

Janet L. Duffey
Program Manager
Reservoir Land Use & Permitting, East Region

Printed on recycled paper



Tennessee Valley Authority
Section 26a Approval

Permit # 273146	Reservoir Fontana	Category 1
DOT Project #		

Name	Company	Address	Phone/Email
David Sneed		[REDACTED]	[REDACTED]

Tract(s) XTFR-3

Subdivision/Lot(s)	Stream	Mile	Bank	Map Sheet(s)
Subdivision: N/A	Alarka Cr	82.5	R	22 C/D Stage

The facilities and/or activities listed below are APPROVED subject to the plans and general and special conditions attached.

1 Non-navigable Houseboat
 Height (ft., in.): 9'; Length (ft., in.): 23'; Structure Number: 273146; Width (ft., in.): 36'

This permit SUPERSEDES all previous TVA approvals at this location including permits approved under land record numbers:

154575

TVA Representative: Tammy W Mccoy Date: 10-16-2015

May require review by U.S. Army Corps of Engineers (USACE). Plans have been forwarded to the USACE.
No construction shall commence until you have written approval or verification that no permit is required.
 Applicant is also responsible for all local and state approvals that may be required relating to water quality.
No construction shall commence until you have written approval or verification that no permit is required.

GENERAL AND STANDARD CONDITIONS
Section 26a

General Conditions

- 1) You agree to make every reasonable effort to construct and operate the facility authorized herein in a manner so as to minimize any adverse impact on water quality, aquatic life, wildlife, vegetation, and natural environmental values.
- 2) This permit may be revoked by TVA by written notice if:
 - a) the structure is not completed in accordance with approved plans;
 - b) if in TVA's judgment the structure is not maintained in a good state of repair and in good, safe, and substantial condition;
 - c) the structure is abandoned;
 - d) the structure or work must be altered or removed to meet the requirements of future reservoir or land management operations of the United States or TVA;
 - e) TVA finds that the structure has an adverse effect upon navigation, flood control, or public lands or reservations;
 - f) all invoices related to this permit are not timely paid;
 - g) you no longer have sufficient property rights to maintain a structure at this location; or
 - h) a land use agreement (e.g., license, easement, lease) for use of TVA land at this location related to this permit expires, is terminated or cancelled, or otherwise ceases to be effective.
- 3) If this permit for this structure is revoked, you agree to remove the structure, at your expense, upon written notice from TVA. In the event you do not remove the structure within 30 days of written notice to do so, TVA shall have the right to remove or cause to have removed, the structure or any part thereof. You agree to reimburse TVA for all costs incurred in connection with removal.
- 4) In issuing this Approval of Plans, TVA makes no representations that the structures or work authorized or property used temporarily or permanently in connection therewith will not be subject to damage due to future operations undertaken by the United States and/or TVA for the conservation or improvement of navigation, for the control of floods, or for other purposes, or due to fluctuations in elevations of the water surface of the river or reservoir, and no claim or right to compensation shall accrue from any such damage. By the acceptance of this approval, applicant covenants and agrees to make no claim against TVA or the United States by reason of any such damage, and to indemnify and save harmless TVA and the United States from any and all claims by other persons arising out of any such damage.
- 5) In issuing this Approval of Plans, TVA assumes no liability and undertakes no obligation or duty (in tort, contract, strict liability or otherwise) to the applicant or to any third party for any damages to property (real or personal) or personal injuries (including death) arising out of or in any way connected with applicant's construction, operation, or maintenance of the facility which is the subject of this Approval of Plans.
- 6) This approval shall not be construed to be a substitute for the requirements of any federal, state, or local statute, regulation, ordinance, or code, including, but not limited to, applicable building codes, now in effect or hereafter enacted. State 401 water quality certification may apply.
- 7) The facility will not be altered, or modified, unless TVA's written approval has been obtained prior to commencing work.
- 8) You understand that covered second stories are prohibited by Section 1304.204 of the Section 26a Regulations.
- 9) You agree to notify TVA of any transfer of ownership of the approved structure to a third party. Third party is required to make application to TVA for permitting of the structure in their name (1304.10). Any permit which is not transferred within 60 days is subject to revocation.
- 10) You agree to stabilize all disturbed areas within 30 days of completion of the work authorized. All land-disturbing activities shall be conducted in accordance with Best Management Practices as defined by Section 208 of the Clean Water Act to control erosion and sedimentation to prevent adverse water quality and related aquatic impacts. Such practices shall be consistent with sound engineering and construction principles; applicable federal, state, and local statutes, regulations, or ordinances; and proven techniques for controlling erosion and sedimentation, including any required conditions under Section 6 of the Standard Conditions.
- 11) You agree not to use or permit the use of the premises, facilities, or structures for any purposes that will result in draining or dumping into the reservoir of any refuse, sewage, or other material in violation of applicable standards or requirements relating to pollution control of any kind now in effect or hereinafter established.

Rlr Id: 273146

- 12) The Native American Graves Protection and Repatriation Act and the Archaeological Resources Protection Act apply to archaeological resources located on the premises of land connected to any application made unto TVA. If LESSEE (or licensee or grantee (for easement) or applicant (for 26a permit)) discovers human remains, funerary objects, sacred objects, objects of cultural patrimony, or any other archaeological resources on or under the premises, LESSEE (or licensee, grantee, or applicant) shall immediately stop activity in the area of the discovery, make a reasonable effort to protect the items, and notify TVA by telephone (865-228-1374). Work may not be resumed in the area of the discovery until approved by TVA.
- 13) You should contact your local government official(s) to ensure that this facility complies with all applicable local floodplain regulations.
- 14) You agree to abide by the conditions of the vegetation management plan. Unless otherwise stated on this permit, vegetation removal is prohibited on TVA land.
- 15) You agree to securely anchor all floating facilities to prevent them from floating free during major floods.
- 16) You are responsible for accurately locating your facility, and this authorization is valid and effective only if your facility is located as shown on your application or as otherwise approved by TVA in this permit. The facility must be located on land owned or leased by you, or on TVA land at a location approved by TVA.
- 17) You agree to allow TVA employees access to your water use facilities to ensure compliance with any TVA issued approvals.
- 18) It is understood that you own adequate property rights at this location. If at any time it is determined that you do not own sufficient property rights, or that you have only partial ownership rights in the land at this location, this permit may be revoked. TVA may require the applicant to provide appropriate verification of ownership.
- 19) In accordance with 18 CFR Part 1304.9, Approval for construction covered by this permit expires 18 months after the date of issuance unless construction has been initiated.

Standard Conditions (Only items that pertain to this request have been listed.)

1) Structures and Facilities

- a) TVA number 273146 3F-502 has been assigned and provided for your facility. When construction is complete, this numbered tag shall be placed on the lakeward side on a readily visible part of the outside of the facility.
- i) You agree that only those facilities which have been approved by TVA prior to construction will be placed within the harbor limits and that permanent mooring buoys, boat slips, or other harbor facilities will not be placed outside the harbor limits.
- j) You agree that all storage, piping, and dispensing of liquid fuel shall comply with applicable requirements of the "Flammable and Combustible Liquids" section of the National Fire Codes and any additional requirements of federal, state, and local laws and regulations.
- k) You agree that the nonnavigable houseboat facility hereby approved will be used for private residential and for no other purpose unless approved in writing from TVA.
- l) All approved nonnavigable houseboats with toilets must be equipped with a properly installed and operating Marine Sanitation Device (MSD). The system must be inspected annually. You also agree to use a pumpout facility, for your MSD Type 3 or a mobile pumpout service to empty your vessel's tank while moored.
- m) You agree to these standard conditions for Sewage Pumping Stations;
 - i) System will have no overflow pipe.
 - ii) Alarm system to notify fluid level in holding tank.
 - iii) Reliable Licensed Sewage hauler.
 - iv) Easy access to holding tank for inspection.
 - v) Maintain the sewage system to prevent leakage of sewage into the reservoir.
- o) You understand that any replacement of existing floatation must include encapsulated foam or commercially manufactured floats pursuant to Section 1304.40 of the Section 26a Regulations.
- r) You are hereby advised that the subject facilities will be on a recreational navigation channel and may be vulnerable to wave wash and possible collision damage from passing vessels.
- s) You agree to securely anchor all floating facilities to prevent them from floating free during major floods. All anchoring cables or spud poles must be anchored to the walkway or to the ground in a way that will not accelerate bank erosion. Anchoring of cables, chains or poles to trees on TVA property is not permitted.

2) Ownership Rights

Rlr Id: 273146

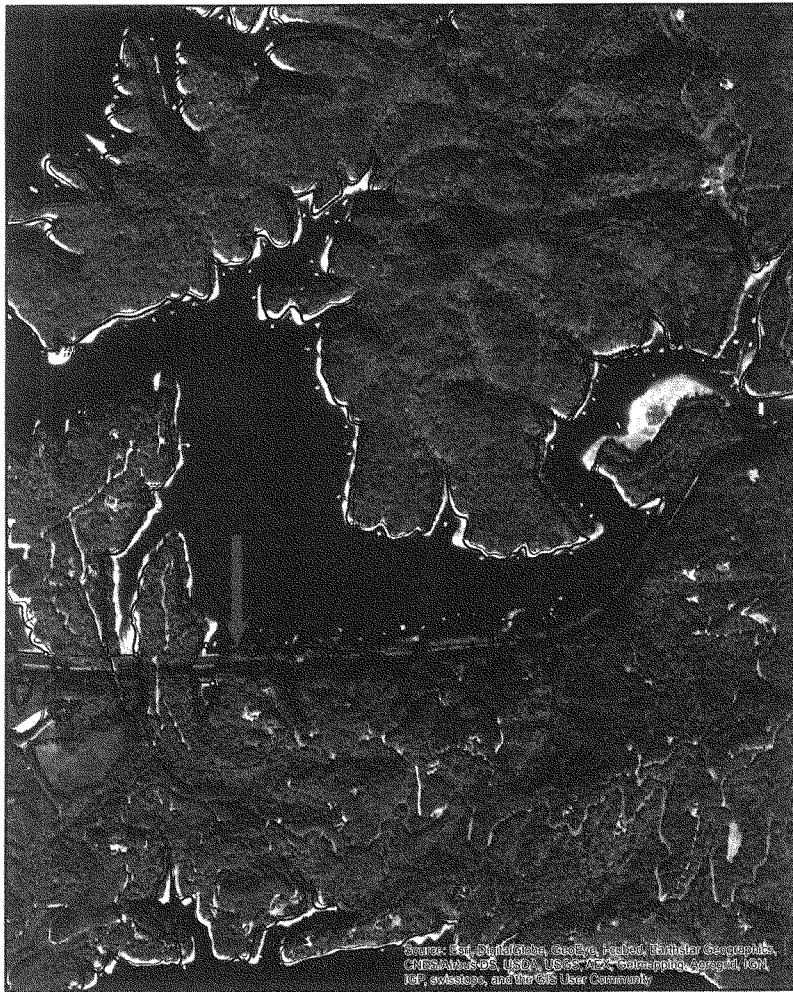
- b) You are advised that TVA retains the right to flood this area and that TVA will not be liable for damages resulting from flooding.
 - d) This approval of plans is only a determination that these harbor limits will not have any unacceptable effect on TVA programs or other interests for which TVA has responsibility. Such approval does not profess or intend to give the applicant exclusive control over the use of navigable waters involved.
 - e) You recognize and understand that this authorization conveys no property rights, grants no exclusive license, and in no way restricts the general public's privilege of using shoreland owned by or subject to public access rights owned by TVA. It is also subject to any existing rights of third parties. Nothing contained in this approval shall be construed to detract or deviate from the rights of the United States and TVA held over this land under the Grant of Flowage Easement. This Approval of Plans does not give any property rights in real estate or material and does not authorize any injury to private property or invasion of private or public rights. It merely constitutes a finding that the facility, if constructed at the location specified in the plans submitted and in accordance with said plans, would not at this time constitute an obstruction unduly affecting navigation, flood control, or public lands or reservations.
 - f) Land fronting your lot is TVA PUBLIC LAND, no fences or other barricades are allowed which may impede the general public's ability to cross.
- 6) Best Management Practices**
- d) You agree to keep equipment out of the reservoir or stream and off reservoir or stream banks, to the extent practicable (i.e., performing work "in the dry").
 - e) You agree to avoid contact of wet concrete with the stream or reservoir, and avoid disposing of concrete washings, or other substances or materials, in those waters.
 - f) You agree to use erosion control structures around any material stockpile areas.

Additional Conditions

Project will be performed using Best Management Practices.

This permit is valid for David Erik Sneed, any transfer of property ownership requires a new Section 26a application.

Attachments to houseboat 3F-502 shall be permanent and the configuration shall remain consistent as displayed in this permit. Facility as approved is at maximum size; future expansion will not be accepted by TVA for review and approval.



Source: Esri, DigitalGlobe, GeoEye, Earthstar Geographics, CNES/Airbus DS, USDA, USGS, AeroGRID, IGN, IGP, swisstopo, and the GIS User Community



David Sneed - 273146

Fontana Reservoir
Tract No. XTFR-3
7230 Grassy Branch Road
Little Tennessee River Mile 82.5R
Map 22D

TVA RESTRICTED INFORMATION

ID-273146

JOINT APPLICATION FORM
Department of the Army/TVA

OMB No. 3316-0080
 Exp. Date 09/31/2018

The Department of the Army (DA) permit program is authorized by Section 10 of the Rivers and Harbors Act of 1899 and Section 404 of the Clean Water Act (P.L. 95-217). These laws require permits authorizing structures and work in or affecting navigable waters of the United States and the discharge of dredged or fill material into waters of the United States. Section 208 of the Tennessee Valley Authority Act, as amended, prohibits the construction, operation, or maintenance of any structure affecting navigation, flood control, or public lands or reservations across, along, or in the Tennessee River or any of its tributaries until plans for such construction, operation, and maintenance have been submitted to and approved by the Tennessee Valley Authority (TVA).

Name and Mailing Address of Applicant: David Erik Sneed 109 Bearclaw Lane Cherokee, NC 28719 Email Address: _____ Telephone Number: Home <u>N/A</u> Office <u>N/A</u> Mobile _____		Name, Mailing Address, and Title of Authorized Agent: Same as Applicant Email Address: _____ Telephone Number: Home _____ Office _____ Mobile _____	
Facility/Activity Location (include all known information): Reservoir <u>Fontana</u> Address: <u>Boathouse near Alarka Boat Dock, 7230 Grassy Branch Road, Bryson City, NC 28713</u> Subdivision, Lot No., and/or Tax Parcel No.: <u>N/A</u> Stream Name and Mile: <u>Fontana Reservoir - Alarka Creek</u> Longitude/Latitude: <u>35.391797, -83.551601</u>			
Application submitted to <input type="checkbox"/> DA <input checked="" type="checkbox"/> TVA Date activity is proposed to commence: <u>Pre-existing</u> Date activity is proposed to be completed: _____			

Describe in detail the proposed activity, its purpose and intended use (*private, public, commercial, or other*). Describe structures to be erected including those placed on fills, piles, or floating platforms. Also describe the type, composition, and quantity of materials to be discharged or placed in the water; the means of conveyance; and the source of discharge or fill material. Please attach additional sheets if needed.

Transfer of ownership of existing T.V.A. permitted boathouse # 3F-502. Boathouse is intended for private recreational use. Structure is in good condition with styrofoam floats in need of replacement. Structure has been modified by a previous owner to meet the requirements of the Swain County Ordinance for sewage/wastewater discharge and is properly permitted with the County. Proposed activity includes maintenance on the structure as well as replacement of flotation to meet T.V.A. requirements. See attached supporting detailed information.

Application is hereby made for approval of the activities described herein. I certify that I am familiar with the information contained in this application, and that to the best of my knowledge and belief such information is true, complete, and accurate. I further certify that I possess the authority to undertake the proposed activities. I understand that TVA and the U.S. Army Corps of Engineers may contact an Authorized Agent listed above and such Agent may act on my behalf on all aspects of this application. I agree that if this application is approved by TVA, I will comply with the terms and conditions and any special conditions that may be imposed by TVA. Please note the U.S. Army Corps of Engineers may impose additional conditions or _____

July 29, 2015 David Erik Sneed
 Date Name of Applicant (Printed) Signature of Applicant

18 U.S.C. Section 1001 provides that: Whoever, in any manner within the jurisdiction of any department or agency of The United States knowingly and willfully falsifies, conceals, or covers up by any trick, scheme, or device a material fact or makes any false, fictitious or fraudulent statements or representations or makes or uses any false writing or document knowing same to contain any false, fictitious or fraudulent statement or entry, shall be fined not more than \$10,000 or imprisoned not more than five years, or both. The appropriate DA fee will be assessed when a permit is issued.

Names, addresses, and telephone numbers of adjoining property owners, lessees, etc., whose properties also join the waterway:
 Not applicable.

TVA RESTRICTED INFORMATION

OMB No. 3316-0060
Exp. Date 08/31/2016



Section 26a Permit and Land Use Application
Applicant Disclosure Form

By signing the Joint Application Form (Department of Army/TVA) or TVA's Land Use Application and again below, you agree to disclose any business, political, or financial interest that may present an actual or potential conflict of interest with TVA. If a new significant business, political, or financial interest is obtained during the period of the time that the application is under review, you agree to file an additional disclosure.

Disclose if any of the following apply to you (check all that apply). I am:

- An elected government official
- A policy making level employee of an entity that regulates TVA or its activities
- A management level employee of a power customer of TVA
- A TVA Director
- A TVA employee
- An immediate family member of one of the above
- A representative of a corporation or entity submitting an application and one of the above applies to me. Print entity or corporation name, and identify which of the above applies to you.

- A representative of a corporation or entity submitting an application and the corporation or entity has partners, investors, or senior management that are one of the above. Print entity or corporation name, and identify the partner(s), investor(s), or senior manager(s) and which of the above applies.

None of the above

Do you have any other business or personal relationships not covered in your answers above that could appear to be a conflict of interest? (check one) Yes No If yes, provide more detail here.

By signing this form, you consent to this Applicant Disclosure Form being made available to the public in response to an appropriate request, including, without limitation, a request made under the Freedom of Information Act.

Please sign and return this form with your application package. Your application cannot be processed without receipt of this signed form.

DAVID ERIC SWEED [Redacted Signature] 7/29/15
Name of applicant (Printed) Signature of Applicant Date

All applications and communications that occur as part of the application process may be made public to the extent permitted by applicable law, including the Freedom of Information Act and the Privacy Act, and could be reviewed formally by the Office of Inspector General (OIG). All written correspondence regarding your request may be forwarded to the TVA Chief Ethics and Compliance Officer (CECO) and the OIG, and all oral communication between TVA and the applicant regarding this request may be documented and maintained by TVA. Inquiries concerning your application from any person who falls into one of the categories described above will be disclosed to the CECO and OIG.

Privacy Act Statement
This information is being requested in accordance with Sections 4(k), 15d, 26a, and/or 31 of the TVA Act; 40 U.S.C. § 1314; 30 U.S.C. § 185; 16 U.S.C. § 667b; and/or 40 U.S.C. § 483. Disclosure of the information requested is voluntary; however, failure to provide any required information or documents may result in a delay in processing your application or in your application being denied. An application that is not complete will be returned for additional information. TVA uses this information to assess the impact of the proposed project on TVA programs and the environment, and to determine if the project can be approved. Information in the application is made a matter of public record through issuance of a public notice if warranted. Routine uses of this information include providing to federal, state, or local agencies, and to consultants, contractors, etc., for use in program evaluations, studies, or other matters involving support services to the program; to respond to a congressional inquiry concerning the application or the applicable program; and for oversight or similar purposes, corrective action, litigation, or law enforcement.

AUG 03 2015

APPENDIX B

**Water Quality Measurements
Fontana Lake, Summer 2006**

Linda White: Project Oversight

Peter Whittaker: Fontana Project Leader

Roger Clapp: Sampling Project Leader

Ryan Sherby: Sample Collector, GIS Technician

Joe McMillan: Author, Sample Collector

SUMMARY

Water samples were taken at Fontana Lake to determine if ordinances against illegal waste water dumping by houseboats had a positive influence on water quality. Past samples had shown high fecal coliform levels thought to originate from the houseboats. Water samples were collected at 5 houseboat marinas with 2 repetitions completed. Two harbors had a third repetition, with no time allowing for the remaining three. Tributary sampling was more sensitive to climatic conditions, and only 1 complete repetition was completed. Samples were taken using all available quality assurance protocols, as well as logging the exact GPS coordinates of each sampling site. A certified lab ran all the data using fecal coliform membrane filtration method#9222D.

Data showed the Fontana Lake was very clean except for a couple isolated areas with elevated fecal coliform levels. Only 2 sampling sites exceeded the maximum EPA standard for organized recreational use set at 200 col/100mL. No data was conclusive that houseboats were still contributing to fecal coliform concentrations. However, there was one sampling site that warranted additional testing to find the cause of an anomalous elevated fecal coliform value. The evidence strongly suggests that today's fecal coliform source is that of the tributaries that feed the river, rather than the houseboats straight-piping waste water.

INTRODUCTION

Starting June 1, 2006, the FLWR organization in conjunction with the Swain and Graham County Health Departments, and WCU set out to determine the water quality of Fontana Lake. Joe McMillan was hired from WCU to take water samples in the lake under the guidance of both Roger Clapp and Peter Whittaker. Ellen Monteith was hired as the boat technician to navigate the lake. Ryan Sherby collected various tributary samples, and acted as the GIS technician. The evaluation was to last to August 1, 2006.

The water samples taken were to evaluate if Fontana Lake's fecal coliform concentrations had dissipated due to the recent addition of local waste water ordinances pertaining to houseboats. If there were sufficient amounts of fecal coliform in the lake, the objective was to determine if houseboats were the cause of the problem, or if tributaries feeding into the lake were the cause. The results of the data were used to determine if the lake's water quality was sufficient for organized recreational use.

BACKGROUND

Fecal coliform is a type of bacteria that is found in large numbers in the intestinal tracts of both mammals and birds. Contamination of both ground and surface waters with fecal coliform can occur. Contamination is usually contributed to faulty septic systems, illegal "straight-piping" of wastes, livestock feces runoff, or other fecal contamination caused by warm blooded animals. Although fecal coliform itself is usually considered nonpathogenic, it is used as an indicator for other pathogenic organisms. An elevated amount of fecal coliform in water increases the probability of other microorganisms being in the water that cause diseases such as hepatitis, dysentery, gastrointestinal diseases, and increase exposure to E. coli. Because of the correlation between elevated fecal coliform levels and pathogenic microorganisms in water, the EPA has set the organized recreational limit of fecal coliform to 200 col/100mL.

Recreational waters that have known elevated fecal coliform concentrations should be monitored on a regular basis to ensure public safety. Water samples for fecal coliform should be stored in an ice-chest and be prepared for incubation in less than 6 hours from taking the initial sample. The standard analytical procedure is method#9222D, fecal coliform membrane filtration.

Fontana Lake is a giant power reserve reservoir located in the mountains of North Carolina. Since its inception in the 1940's, Fontana Lake as served as a home to many houseboats. Although Federal law prohibited waste discharge into surface waters, there were no local ordinances or infrastructure to enforce the law upon the houseboat owners. It wasn't until the late 1980's that the subject of houseboat fecal contamination appeared. Complaints began pouring into the two local Health Departments about organized

recreational users coming out of Fontana Lake covered in fecal material. In the mid 1990's fecal coliform testing was done that had values >700 col/100mL within the houseboat harbors. Although the data from those first water samples are no longer available, one could imagine the impact of hundreds of houseboats straight-piping their waste into the lake.

From the Health Department complaints in conjunction with concerned citizens, the Fontana Lake Waste Recovery (FLWR) organization was formed. It took many years of collaboration and compromise between citizens and government agencies to find a solution to the problem. By 2002, local ordinances had been passed to ensure all houseboats on Fontana Lake were void of illegally dumping their sewage. By 2005, Fontana Lake had waste pump-out infrastructure in all the harbors mooring houseboats. By the final deadline of houseboat ordinances in the spring of 2006, only a small number of houseboats didn't contain permanent toilet facilities onboard.

After having the marine waste pump-out abilities serving the entire lake for over a year, the decision was made to begin assessing the water quality improvements made by the newly instated ordinances. The assumption was that the lake would be much cleaner, but needed reproducible scientific data to back up their assumptions. June 1, 2006, this eight week study was conducted to assess just how clean Fontana Lake had become.

METHODS

To begin the data collection process, a set of sampling points had to first be established. The lake was first toured by boat to determine if houseboat locations differed from those shown on satellite imagery. Once the houseboats locations were known, the selection of sampling points began. Sampling locations within each harbor included at least 1 sampling point upstream of the first houseboats located in that harbor. In each harbor an additional sampling point was located near, or at the opposite end of the harbor downstream from the houseboats. One additional sample per sampling day was chosen far away from the houseboats in the main water channel. One other sampling point was chosen for each of the accessible main tributaries feeding into the harbor.

The first points chosen were to find a base-line, and to ensure any contamination found had to come from within the harbor. Next, sampling locations were decided for within the individual harbors. The locations were chosen depending on amount of houseboats in the area, geography features, and relative use of the houseboats. Five to Seven sampling points were chosen for each harbor depending on the relative size of the individual harbor. Each sampling point was then plotted onto a satellite photograph of the individual harbor for ease of navigation (see tables 1-4). Some of the sampling points were set close to the houseboats, and others were plotted farther away to try to center the sample in large clusters of houseboats. Sampling sites were then grouped together depending on their location. The grouping was done to maximize samples on each sampling day, while still making the six hour deadline for the samples to be incubated. Sites were grouped as follows: Alarka and Greasy Branch, Prince and Crisp, and Fontana and Steacoah Creek.

Table 1

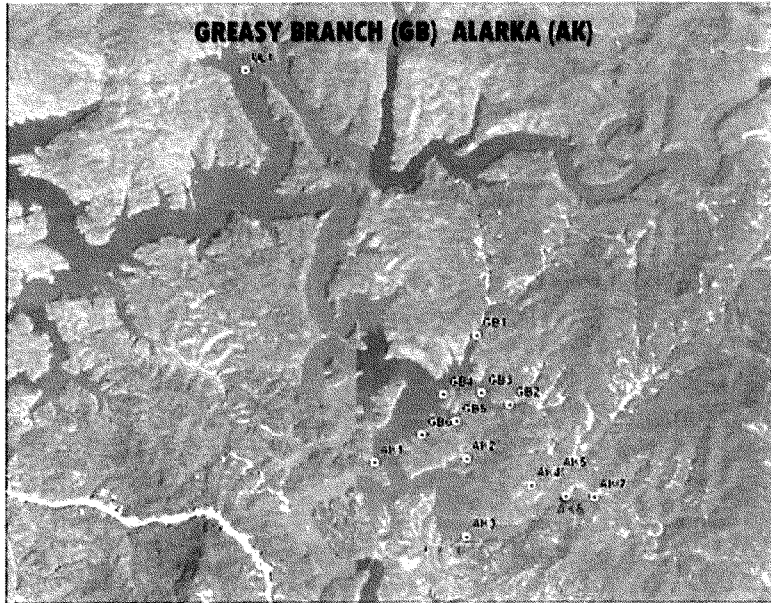


Table 2

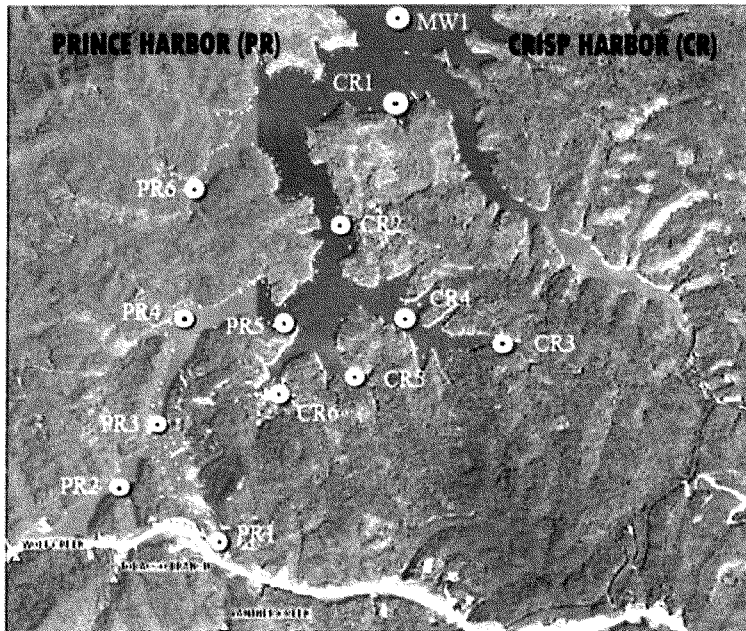


Table 3

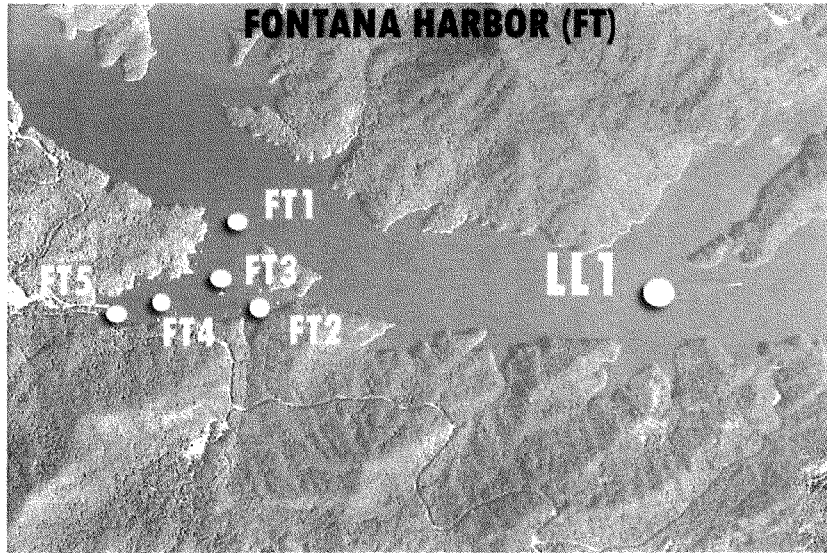
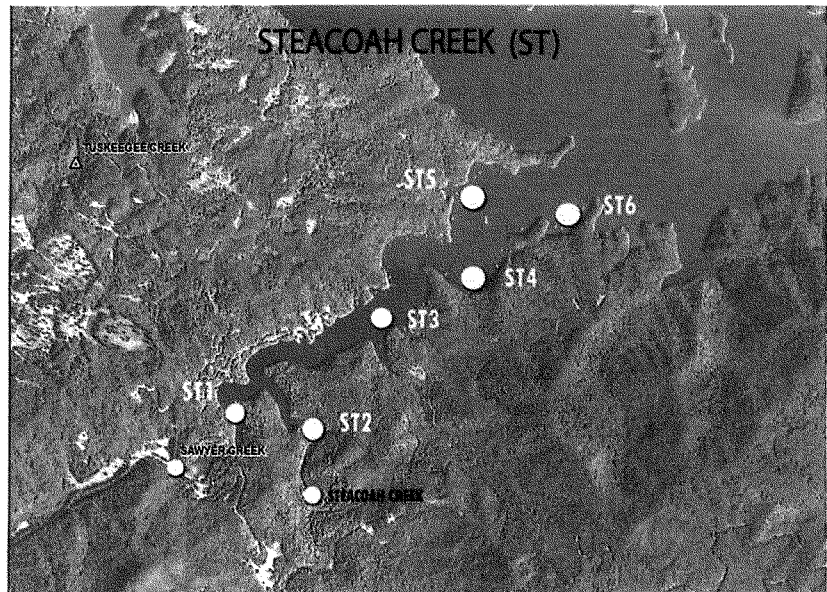


Table 4



After the sampling points had been established, the project was underway. 250mL autoclaved sampling bottles would be delivered from the Cherokee Waste Water Lab 1 to 2 days before each sampling session. Waterproof labels were attached to each bottle containing the following information: location ID, collector's initials, time, date, and any needed notes. Data sheets were printed for each sampling session to include the following: marina, location ID, time and date, location description, GPS coordinates basic notes on the site, and chain of custody.

Sampling days were determined by both the availability of the boat technician and the Cherokee Waste Water Lab (CWWL) to analyze results. The lab was only available Tuesday through Thursday to accept samples, so no weekend sampling would occur. Each sampling day had the goal of beginning the sampling process around 0900. The sample collector and the boat technician from FLWR would leave Alarka marina by boat and head to the first collection site. Care was taken to ensure that the sample collector's hands were washed thoroughly to prevent cross-contamination. Once the boat had reached its designated sampling point, the boat technician would hold the boat as steady as possible. The sample collector recorded onto the datasheets the following information for each sampling site: a basic location description, the latitude and longitude, general climate conditions, time and date, the specific harbor, and location ID. In addition to what was recorded onto the datasheets, the sample collector also filled out the sample bottle labels, and saved the coordinates into the GPS unit for reliable location reproducibility.

Once all the information was recorded for the sampling site, the sample collector would lay on the bow of the boat to take the sample. The sampling bottle would stay

closed until just before the bottle was submerged to combat cross-contamination. The sampling bottles were held at the bottom with one hand. The sampling bottles were then inverted and plunged under the water almost to the elbow. As soon as the sampling bottle reached the correct depth it was scooped upwards against the current to avoid cross-contamination. After replacing the lid, tamper-resistant tape was applied to the bottles. The sample bottles were then transferred to an ice-chest until delivered to the lab.

When time and resources were available, tributaries would be sampled around the lake marinas that were being sampled. The sampling process was the same for the tributaries except for the sampling location. The tributary samples were chosen just upstream of the lake, where the creeks are still flowing. The tributary sampling days were also determined by precipitation. If there was enough rain to affect turbidity, tributary samples were delayed for at least three days. When the tributary samples would take place, the tributary collector would meet the lake sampler at one of the marinas, and take all of the samples back to the Cherokee Waste Water Lab for analysis. This ensured that the samples would be analyzed within 6 hours of the first sample taken. If there were no tributary samples being conducted, the sample collector would be dropped back off at Alarka marina. From Alarka, the samples would be driven to the Cherokee Waste Water Lab for analysis. Mike Bolt or Harold Cooper would sign for the samples, and use standard method#9222D to evaluate the samples for fecal coliform

After the entire lake was sampled, the process started over again. The only difference was that a GPS was used to guide the boat to previously saved coordinates. After completing the second complete round of sampling, a slightly different approach

was used. The sampling points previously determined were still used, but the samples were taken as close as possible (1-5ft) to the nearest houseboat at the given location.

Time only allowed for the close houseboat testing at Alarka and Greasy Branch.

Each sampling day two sampling points were chosen with a random number generator for replication. If the sampling point was chosen for replication 2 bottles were used rather than 1. The sample bottle and the replicate bottle were both held in the same hand, and sampled at the same time to ensure quality assurance. After the results came back from the CWWL the replicate values were analyzed to determine if results were in acceptable limits. There was only 1 outlier out of 14 replicates (see table 5). The outlier was caused by a dilution factor of 100mL. The original sample used a dilution factor of 30mL, which caused the original to be counted and the replicate to be too numerous to count. With these facts in hand, the data was deemed acceptable.

Table 5
REPLICATIONS

Marina	Locati on Site ID	Location Description	Replicate FC col/100mL	Original FC col/100mL	Date
Alarka	AK1R	NW beginning of AK Harbor	2	1	6-Jun-06
Alarka	AK4R	Cove opposite last point before Marina	45	51	6-Jun-06
Crisp	CR2R	1st Cove NE of Murphy's Br	8	11	7-Jul-06
Crisp	CR4R	Middle of Murphy's Br Cove	TNTC	127	7-Jul-06
Steacoah	ST4R	NE Southern Horn	3	3	11-Jul-06
Fontana	FT1R	Large entrance to Fontana Marina	<1	<1	11-Jul-06
Greasy	GB4R	L Tenn/Greasy Junction	0	0	12-Jul-06
Alarka	AK2R	Cove Adjacent to GB	3	3	12-Jul-06
Main Waterway	MW1R	Main Waterway NW of HB's	<1	<1	19-Jul-06
Crisp	CR3	Middle of Murphy's Br Cove	<1	<1	19-Jul-06
Steacoah	ST2R	Steacoah Creek	3	4	25-Jul-06
Fontana	FT1R	Large entrance to Fontana Marina	<1	<1	25-Jul-06
Alarka	AK5R	Cove Opposite Holding Tank	45	58	26-Jul-06
Upper Alarka	T5R	Alarka Trib	110	170	26-Jul-06

STANDARD DEVIATION 8.49 Excluding Outlier

RESULTS AND DISCUSSION

Table 6
FECAL COLIFORM RESULTS FOR 2006

Sam Num	Marina	Location Site ID	Location Description	Round 1 Results FC col/100mL	Round 2 Results FC col/100mL	Round 3 Results FC col/100mL
1	UPPER LAKE	UL1	Gunter Branch Point	0	1	<1
2	Main Waterway	MW1	Main Waterway NW of Hob's	1	<1	N/A
3	Lower Lake	LL1	Lower Main Lake	<1	N/A	N/A
4	Greasy Branch	GB1*	Greasy Branch Marina	2	4	5
5	Greasy Branch	GB2	Stevenson Cove	3	2	7
6	Greasy Branch	GB3	Stevenson Mouth	0	0	4
7	Greasy Branch	GB4	LTenn. & Greasy Junction	0	0	<1
8	Greasy Branch	GB5	Cove perpendicular to GB Marina	32	0	2
9	Greasy Branch	GB6	End Cluster at Greasy	<1	0	2
10	Alarka	AK1	NW beginning of AK Harbor	1	0	2
11	Alarka	AK2	Cove Adjacent to GB	1	3	1
12	Alarka	AK3	NW Cluster perpendicular AK cry/NP	1	1	<1
13	Alarka	AK4	Cove opposite last point before Marina	51	>433	410
14	Alarka	AK5*	Cove opposite of holding tank	39	20	68
15	Alarka	AK6*	Downstream of Alarka Dock	N/A	160	187
16	Alarka	AK7*	Above Marina	134	170	170
17	Prince	PR1*	Prince Marina at Panther Cr	>520	7	
18	Prince	PR2*	Wolf & Tobacco Cr Merge	25	4	
19	Prince	PR3	500M North of Prince Dock	20	6	
20	Prince	PR4	Just Past 1st Cove on Left N of dock	27	48	
21	Prince	PR5	Panther Cr Merge with Murphy's Br	23	3	
22	Prince	PR6	Large Cove NW of Murphy's Br	147	2	
23	Crisp	CR1	1st Cove in Northern Crisp Harbor	6	1	
24	Crisp	CR2	1st Cove NE of Murphy's Br	11	<1	
25	Crisp	CR3*	Beginning of Murphy's Br	10	2	
26	Crisp	CR4	Middle of Murphy's Br Cove	127	<1	
27	Crisp	CR5	Cove Adjacent to Crisp Dock	4	9	
28	Crisp	CR6	Crisp Dock	127	5	
29	Steacoeh	ST1*	Sawyer Cr Boat Ramp	6	5	
30	Steacoeh	ST2*	Upstream Steacoeh Cr	4	4	
31	Steacoeh	ST3	Beginning of Steacoeh HB	1	<1	
32	Steacoeh	ST4	NE Southern Horn	3	<1	
33	Steacoeh	ST5	Last N Shore Cove	1	2	
34	Steacoeh	ST6	Last HB's on SE Shore of St.	<1	<1	
35	Fontana	FT1	Large entrance to Fontana Marina	<1	<1	
36	Fontana	FT2	Middle of E. Cove	<1	9	
37	Fontana	FT3	Middle of entrance ~750M NW Point	<1	5	
38	Fontana	FT4	In Middle of Last 4 HB's	<1	2	
39	Fontana	FT5	Fontana Dock	<1	<1	

Samples Taken Near Tributary/Lake Merge Have Asterisk by Location ID

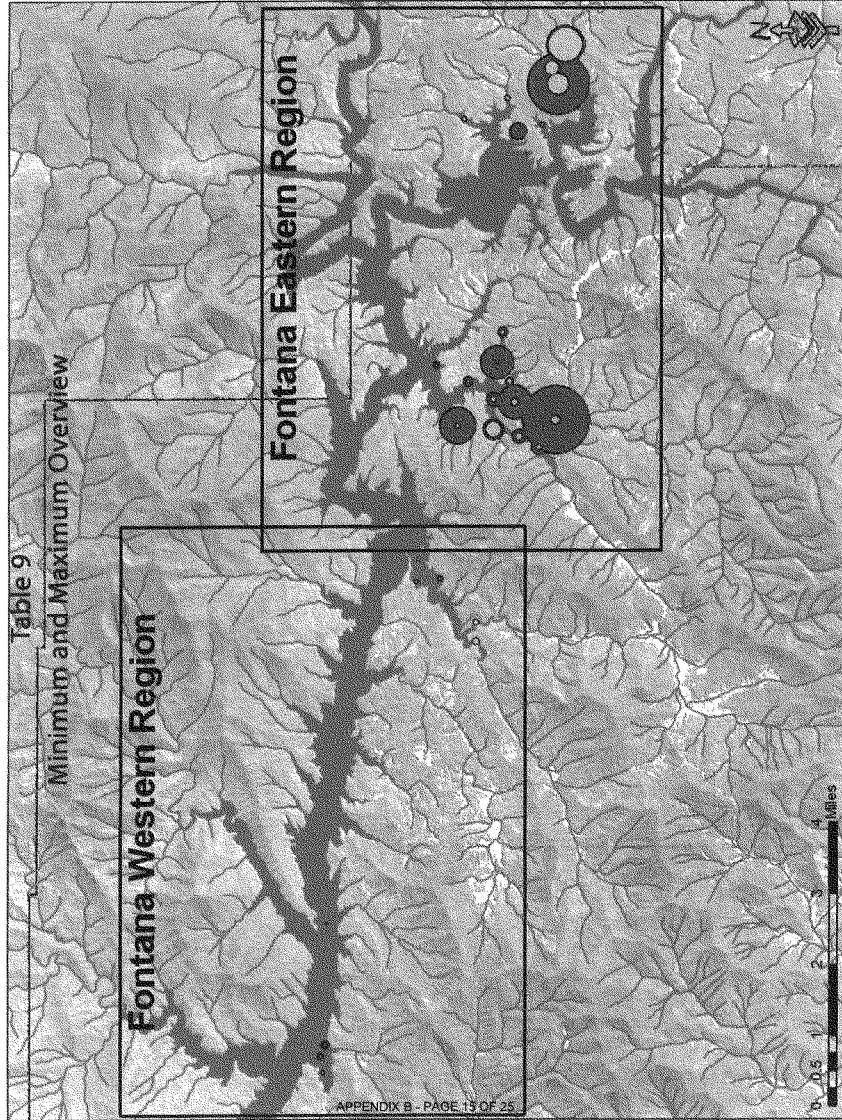
Locations Specifically Mentioned in the Results Bolded

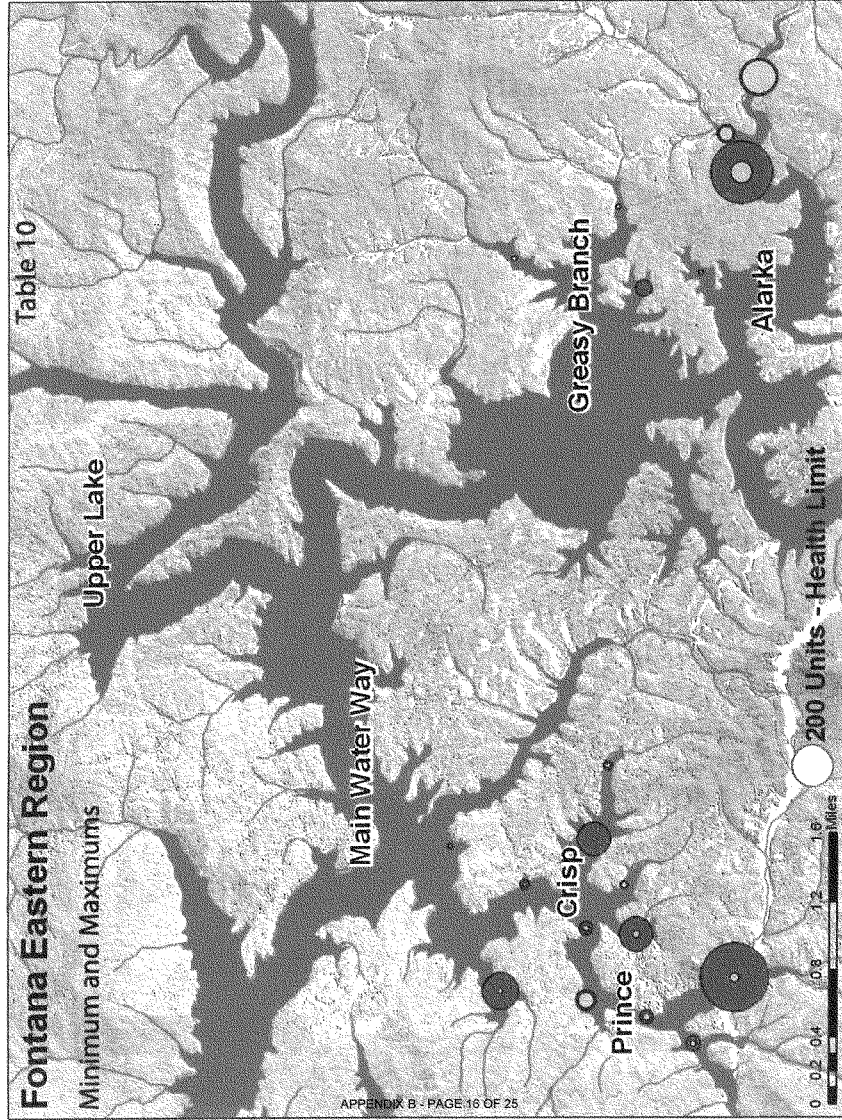
Table 7
TRIBUTARY SAMPLES

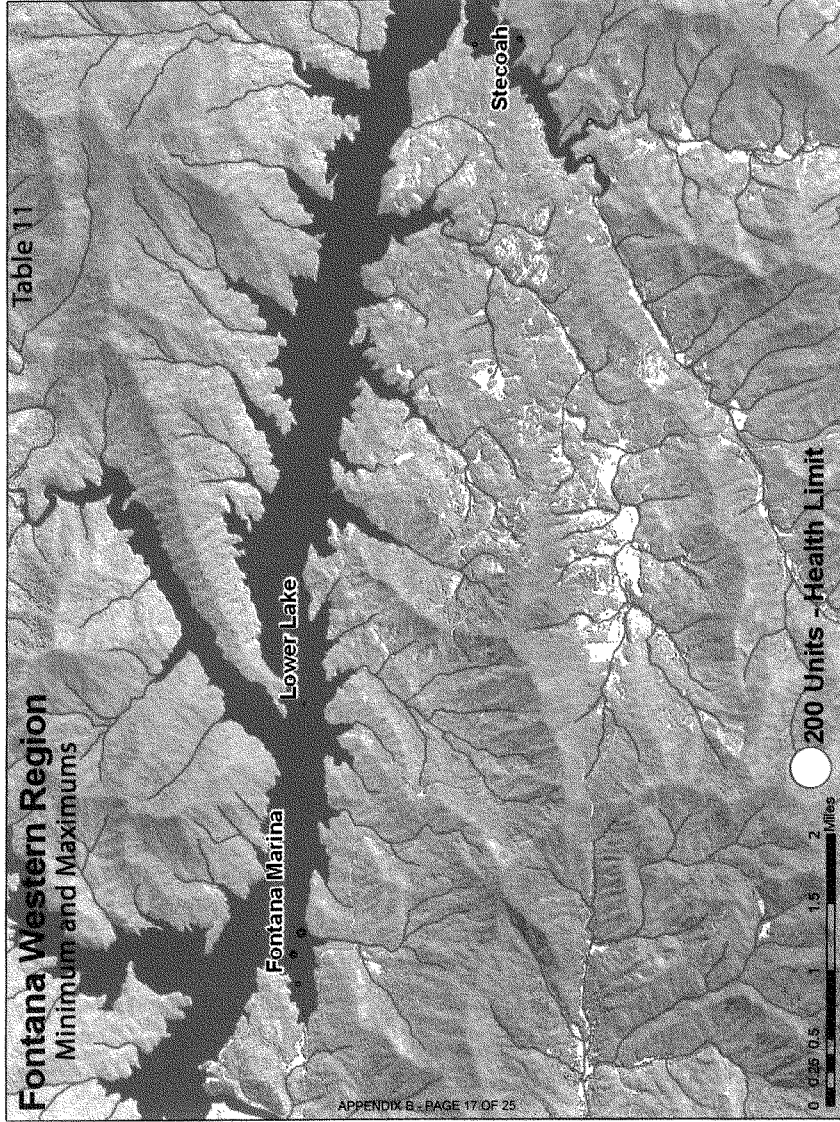
Sam Num	Tributary	Location Site ID	Results FC col/100mL	Date
1	Steacoah Cr	T1	137	11-Jul-06
2	Sawyer Cr	T2	15	11-Jul-06
3	Tuskegee Cr	T3	193	11-Jul-06
4	Greasy Br	T4	143	12-Jul-06
5	Lower Alarka	T5	58	12-Jul-06
6	Panther Cr	T6	26	19-Jul-06
7	Tobacco Cr	T7	20	19-Jul-06
8	Wolf Cr	T8	187	19-Jul-06
9	Greasy Br	T4	65	26-Jul-06
10	Lower Alarka	T5	133	26-Jul-06

Table 8
SAMPLING DATES

MARINA	ROUND 1 SAMPLES	ROUND 2 SAMPLES	ROUND 3 SAMPLES
ALARKA/GREASY BRANCH	22-Jun-06	12-Jul-06	26-Jul-06
PRINCE/CRISP	6-Jul-06	19-Jul-06	N/A
FONTANA/ STECOAH CREEK	11-Jul-06	25-Jul-06	N/A







Data indicates that the lake away from the houseboats is almost completely free from any fecal coliform contamination. The main lake samples had a maximum value of 1 col/100mL. The western end of Fontana Lake within the marinas was shown to be the cleanest in terms of fecal coliform contamination, with 9col/100mL being the highest value. The eastern end of Fontana Lake had the highest counts of fecal coliform contamination. Three samples from two separate locations exceeded the EPA standard of 200col/100mL, with the highest sample in excess of 520col/100mL.

Steacoah and Fontana harbors both lie on the western end of the lake where the cleanest water was found. Fontana marina also maintains Steacoah Creek's houseboats, there isn't a dock in Steacoah Creek only places to moor. Fontana was hypothesized to be the cleanest due mainly to tributary activity in the area. Fontana marina lies at the end of the reservoir, and has no tributaries feeding into it. Furthermore, Fontana marina's houseboats are mostly commercially built, already having the proper waste holding tanks at purchase. Steacoah Creek's harbor data was somewhat surprising. The cove is fed directly by Steacoah Creek and Sawyer Creek. Steacoah Creek's headwater tributary sample was slightly elevated, but still not of particular concern. Steacoah harbor also moors some of the oldest houseboats on Fontana Lake. Even with these conditions, Steacoah's highest fecal coliform reading from two samplings was only 6col/100mL. The Tuskegee Creek tributary sample did show a value very close to the legal limit, but it doesn't feed into an area with houseboats, thus there was no other data to draw conclusions from.

On the eastern end of the lake lies Greasy Branch marina. The marina is fed by the upper section of the Little Tennessee River and Greasy Branch. The houseboats in

Greasy Br. are clustered in small coves that make conditions ideal for fecal coliform readings. The first sampling only showed one value that exceeded 3col/100mL. The value of 32col/100mL (GB5) was taken in close proximity to a houseboat without a septage compliance sticker. With the value so low (under 1/6 the EPA limit), the data doesn't show evidence that the houseboat was contributing to the fecal coliform reading. On the next two samplings of the same location, the values were 0 and 2 respectively. The highest value within Greasy Branch marina for the last two samplings was 7col/100mL. The only elevated readings in the area were with the tributary samples. The two tributary samples had values of 65 and 143. These numbers indicate possible fecal contamination, but not high enough to indicate human contamination without much more data. With the values so low at Greasy Branch, it showed to be the cleanest marina on eastern Fontana in terms of fecal coliform contamination.

Alarka marina lies to the south of Greasy Branch, further upstream on the Little Tennessee River. The beginning of Alarka marina is fed by Grassy Branch and Alarka Creek, with many houseboats mooring far away from these tributaries. Alarka's houseboats that moor along the Little Tennessee River had a high value of 3col/100mL. The readings from closer to the tributaries were much more elevated. Upstream of Alarka dock had readings above 100col/mL for each testing. The values were 134, 170, and 170 respectively, but still under the EPA limit. This sampling site was about 500 meters upstream of the dock, and 800-1000 meters upstream of the first houseboat in the marina. The tributary samples upstream in the headwaters showed slightly elevated values of 58 for round 2, and 133 for round 3. There were no houseboats in between the two upstream sampling sites. Increased water temperature in the slow moving water

could have contributed to increased fecal coliform growth between the two points. Measurements were taken just downstream of Alarka dock on the 2nd and 3rd sampling to measure dilution factors. The two measurements ascertained were 160 and 107 respectively. Data from samples taken in the Grassy Branch cove indicated that there might be some fecal contamination coming in, but not enough to be concerned with. The values from Grassy Branch cove were 39, 20, and 58 respectively.

There was only one sampling point in Alarka marina that couldn't be explained by tributary runoff. Just NW of the Grassy Branch cove, a large cluster of houseboats lie; sampling point AK4. The first sampling indicated a fecal coliform amount of 51 col/100mL. With the proximity of the two tributaries, it was hypothesized that it was a value from the mixing of the two tributaries. The second sampling at Alarka added an additional sample point to prove the hypothesis (AK6). The hypothesis was found to be wrong. AK4 had a fecal coliform value in excess of 433 col/100mL. This value was 21x higher than Grassy Branch cove, 2.5x higher than Alarka's headwaters, and over twice the EPA limit. The final sampling gave another similar reading of 410 col/100mL. Data suggests that one or more houseboats located at AK4 either have malfunctioning plumbing systems, or the straight piping of waste may be occurring.

West of Alarka and Greasy Branch marinas both the Prince and Crisp marinas lie. Prince marina is fed by three tributaries: Panther Creek, Tobacco Creek, and Wolf Creek. Headwater tributary samples were only taken on round 2 of Prince marina. Only the Wolf Creek tributary had any concerns of elevated fecal coliform contamination. The tributary sample had a value of 187 col/100mL. The corresponding value of the closest lake sample was only 4 col/100mL on that sampling day. The data suggested that even

with the tributary having a high value, it wasn't adversely affecting the lake. The first round of sampling had a low of 20col/mL, a high of >520col/mL, and a mean of 127col/mL at Prince marina. The elevated value of >520 was taken upstream of Prince dock (PR1), where Panther Creek comes into the lake. There were a few dilapidated houseboats nearby, but they are abandoned. There are campgrounds upstream on Panther Creek that could have had illegal RV waste dumping that contributed to the high value. Another slightly high value occurred at PR6 centered in the middle of a large cluster of houseboats. The value of 147col/100mL still isn't high enough to be illegal, but does show signs of possible fecal contamination. The other 4 samples in the harbor all ranged in 20's. The second sampling run in Prince harbor showed a dramatic decline in fecal coliform concentrations. The value at PR1 went from >520 on the first sampling down to 7col/100mL. The sampling site at PR6 dropped from 147 to 2col/100mL. Only 1 sample exceeded 7col/100mL. PR4 showed a value of 48col/100mL, still less than ¼ the EPA standard.

Crisp marina had 2 elevated fecal coliform levels on the first sampling. Two values of 127col/mL were found at both the Crisp dock (CR6), and the middle of Murphy's Branch (CR4). Crisp Dock doesn't have any houseboats or tributaries in the immediate area. The data didn't show any viable reason for the elevated levels at the dock. The middle of Murphy's Branch is known to have a few houseboats without waste compliance stickers. The fecal coliform levels were almost 13x higher than where the tributary feeds it. The value of 127 isn't that numerous, but may be attributed to either water temperature or houseboat wastes. The second sampling of Crisp marina showed

the same decline as did Prince marina. The highest fecal coliform concentration was 9col/100mL on the second sampling.

Prince and Crisp marinas were sampled on the same days. The first sampling of the harbors was done on July 6, 2 days after the 4th holiday. The 4th of July holiday is one of the busiest times on Fontana Lake. Prince and Crisp were the only marinas sampled during the holiday week. The significant variance of data between the first sampling and the second sampling are thought to be a direct function of the sheer amount of people using the houseboat's during that holiday.

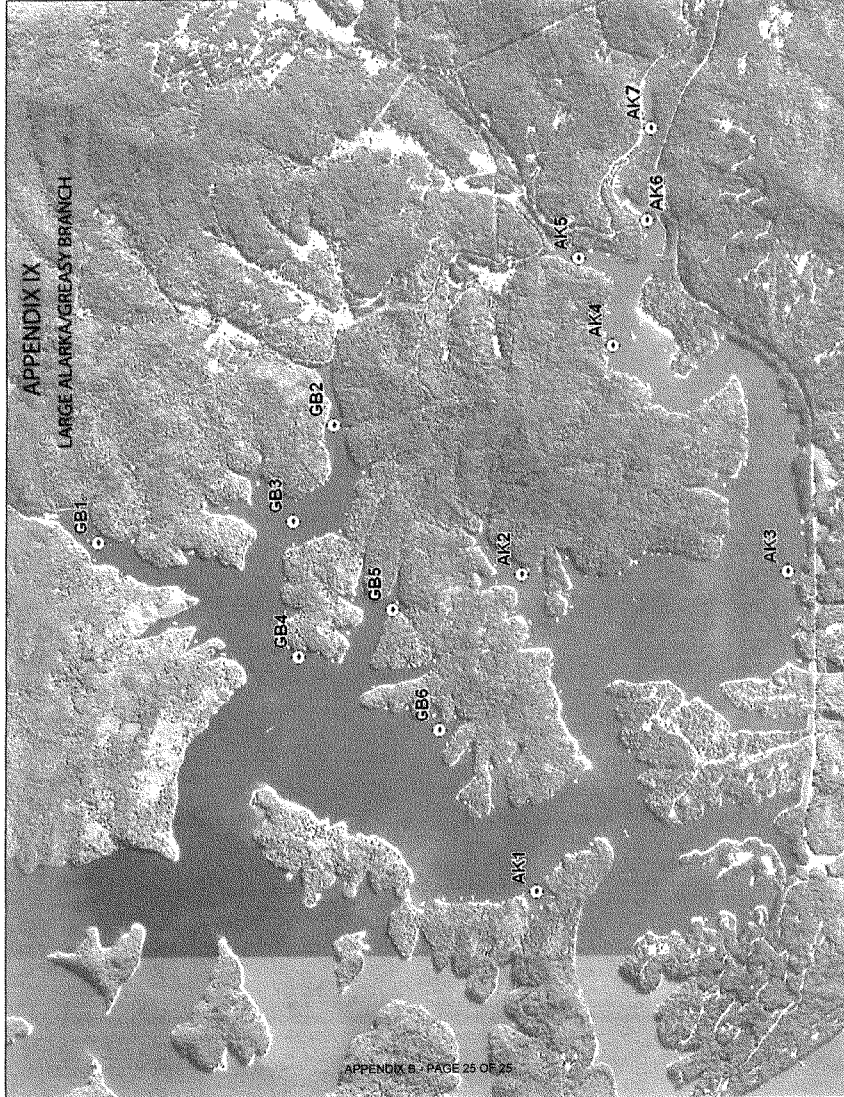
CONCLUSIONS

Data from the fecal coliform sampling indicates that Fontana Lake is very clean. Only 2 sampling sites exceeded the EPA standard of 200 col/100mL. Only 15% of the total samples reached 50% of the EPA limit, with tributary samples included. The highest reading of 520 col/100mL was close to the headwaters of a known dirty tributary, and tested during the peak of individuals in the area over the July 4th holiday. Throughout the whole lake there was only one true anomaly concerning possible houseboat waste contamination. This data closely supports the hypothesis of much cleaner water due to proper waste containment and removal practices upon the houseboats.

The combination of additional water sampling and closer inspection of plumbing lines at sampling site AK4 is needed to determine if in fact the anomalous reading was directly caused by the houseboats. In future water samplings, it would be beneficial to have a few sampling days on the weekend. The houseboats on Fontana Lake aren't used that often during the week days. Weekend samples could show the max output of fecal coliform if there was any discrepancies with houseboat waste lines. Since analytical laboratories aren't operational on the weekend in the Fontana area, it's not feasible to sample those days. In the future, Western Carolina University would be a good resource to look into for weekend sampling.

The two areas that need additional time put into is the headwaters of Alarka Creek, and the headwaters of Panther Creek. The Alarka Creek samples were elevated on each sampling indicating that something is contaminating the water upstream. Additional samples could be run in intervals to determine a likely source of contamination. The

same applies to Panther Creek. Although there was only one high reading at Panther Creek, it was elevated enough to warrant additional samplings.



APPENDIX C

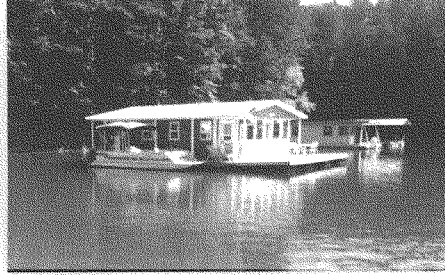
Keep Non-navigable Houseboats and Floating Houses on TVA Reservoirs!

The Petition

Highlights

980 Comments

3756 Signatures



Please sign this petition in **support of the rights of all non-navigable and floating house boat owners** on Fontana Lake as well as on all TVA reservoirs.

Recently TVA recommended dramatic changes to the regulations concerning these houses. **The unreasonable proposed changes most notably include a twenty-year sunset period that requires**

the removal of all homes at the cost of their respective owners. This removal even applies to the pre-1978 grandfathered homes!

These changes are unfair and we are asking for your support in requesting the TVA Board to reject the proposed regulations, to grandfather in all existing compliant non-navigable houseboats and floating houses and also to find more common sense solutions in the regulation of these family-friendly floating communities. Many families use these floating homes as a way to spend quality time with their loved ones, while also enjoying the great outdoors.

In addition to the effect on individual homeowners, local marinas depend heavily on the business generated by these floating communities. These changes will clearly have a devastating effect on economies associated with these marina operations. An economic affect that is in conflict with the original intent of TVA's charter and mission.

Please don't stand idly by while TVA's new regulations negatively impact regional communities, the livelihood of marina operators and the quality of life of families who enjoy and appreciate these beautiful lakes. Join us and sign the petition today. Thank you!

HIGHLIGHTS

- May 18 We have collected 3720 of signatures and surpassed our original goal of 1,000 signatures and our secondary goal of 1,500. Thank you to everyone who participated in helping to save our floating homes. Let's use the next 30 years to make sure the sun doesn't set on us!
- May 3 Petition has reached 3000 names
- April 26 Petition has reached 2000 signatures
- April 15 Petition has reached 1500 signatures!
- April 6 Petition has reached 1000 signatures!
- April 4 Petition has reached 500 signatures!
- April 3 Petition has reached 250 signatures!
- April 1 We are now live!

For the full petition and comments visit:

<http://www.ipetitions.com/petition/keep-non-navigable-and-floating-houses-on-tva>

-
118. Name: Sonya Rathbone [REDACTED] on 2016-04-03 03:12:37
Comments:
-
119. Name: Chad Collins [REDACTED] on 2016-04-03 03:17:19
Comments:
-
120. Name: Gary H Miller [REDACTED] on 2016-04-03 03:21:19
Comments: Navigable waterways are available for use by all citizens as a general rule of law. TVA should recognize this and not displace houseboats and other floating homes. The houseboats may remain stationary, but that does not change the character of the waterways as navigable and, therefore, available for use by all citizens. What will be next? No paddling or fishing on this navigable body of water? TVA must be consistent and follow the well established principles of law dealing with public navigable waterbodies.
-
121. Name: Brad Wiggins [REDACTED] on 2016-04-03 03:26:27
Comments:
-
122. Name: Laura correll [REDACTED] on 2016-04-03 03:28:00
Comments: .
-
123. Name: Kara Smathers [REDACTED] on 2016-04-03 03:35:18
Comments:
-
124. Name: Chelsea Jenkins [REDACTED] on 2016-04-03 03:48:11
Comments:
-
125. Name: Cherri Inman [REDACTED] on 2016-04-03 03:48:56
Comments:
-
126. Name: Melisa kennedy [REDACTED] on 2016-04-03 03:53:03
Comments:
-
127. Name: Lorianne [REDACTED] on 2016-04-03 03:54:29
Comments: Keep the houseboats on the lake, it's family fun, and not hurting nothing! I grew up on Fontana lake from birth and now my children enjoy it!
-
128. Name: Harold Deaver [REDACTED] on 2016-04-03 03:54:50
Comments:
-
129. Name: howell brown [REDACTED] on 2016-04-03 03:55:52
Comments: leave them alone they are quiet and peaceful

2440. Name: Chesire Middleton [REDACTED] on 2016-04-30 16:15:10
Comments:
-
2441. Name: Michael Heetland [REDACTED] on 2016-04-30 16:19:30
Comments:
-
2442. Name: Sandra Reminga [REDACTED] on 2016-04-30 16:24:13
Comments: These are lovely floating homes, and well maintained by the owners. I had the pleasure of being a guest on a float house. They are not in the way. Let them continue to be where they are.
-
2443. Name: Kristen Jones [REDACTED] on 2016-04-30 16:25:44
Comments:
-
2444. Name: Jana Davis [REDACTED] on 2016-04-30 16:28:38
Comments:
-
2445. Name: Sam Lizzy Perry [REDACTED] on 2016-04-30 16:30:16
Comments: We have a floating cottage on Norris Lake. We use it for our enjoyment and for our family & friends who visit us. We worked many years to be able to see a dream come true. Please don't destroy our dream.
-
2446. Name: Terry Oliver [REDACTED] on 2016-04-30 16:31:04
Comments: I am not an owner of a floating home, but I see no reason to get rid of the them, displacing those who live there.
-
2447. Name: Julie Bales [REDACTED] on 2016-04-30 16:32:57
Comments:
-
2448. Name: jimmy swisher [REDACTED] on 2016-04-30 16:33:41
Comments:
-
2449. Name: Donn Claiborne [REDACTED] on 2016-04-30 16:33:57
Comments: I am not a floating home owner. However, I am a resident of Campbell County and have enjoyed Norris Lake all of my life. The simple solution is checking and regulating the waste system in these floating homes.
-
2450. Name: Paula Brown [REDACTED] on 2016-04-30 16:37:02
Comments:
-
2451. Name: Andrew Cook [REDACTED] on 2016-04-30 16:37:33
Comments:
-

3138. Name: Katy Brigger [REDACTED] on 2016-05-03 19:40:43
Comments:
-
3139. Name: Karin Gantner [REDACTED] on 2016-05-03 19:41:10
Comments:
-
3140. Name: Jon Ekvall [REDACTED] on 2016-05-03 19:47:59
Comments: Please keep the floating homes on Norris Lake, TN at least grandfather the ones that are currently there, that's only fair.
-
3141. Name: Cat Dalton [REDACTED] on 2016-05-03 19:57:28
Comments:
-
3142. Name: Andrea Harris [REDACTED] on 2016-05-03 20:06:10
Comments: Good luck!!!
-
3143. Name: christopher daniel [REDACTED] on 2016-05-03 20:12:17
Comments:
-
3144. Name: allie huddleston [REDACTED] on 2016-05-03 20:16:24
Comments:
-
3145. Name: James Richard Riddle [REDACTED] on 2016-05-03 20:20:38
Comments:
-
3146. Name: Jon daniels [REDACTED] on 2016-05-03 20:31:08
Comments:
-
3147. Name: Patty wooten [REDACTED] on 2016-05-03 20:41:11
Comments:
-
3148. Name: Alyssa [REDACTED] on 2016-05-03 20:43:22
Comments:
-
3149. Name: Deborah Bielecki [REDACTED] on 2016-05-03 20:48:06
Comments: These changes are unreasonable and do not respect the property rights of owners who invested in the are All!
-
3150. Name: Cierra Allen [REDACTED] on 2016-05-03 20:48:21
Comments: I grew up on Norris Lake, my grand parents lived within walking distance and family friends lived on the lake. In the past, I have also worked at a local marina for over 5 years. I can honestly say that my fondest memories from my childhood and even through adulthood were on the lake. Without the non-navigatable house boats, these memories

would not exist. It would be a shame to eliminate these. I've enjoyed many summers enjoying visiting family and friends who own these structures. I can not see any reason to eliminate these, by doing so the future generations won't be able to create fond memories on the lake like I did. Not to mention, by eliminating these structures, there will be a HUGE financial implication. Many of the customers I met working at the marina, owned these. They would not be here on the lake without them. These people spend thousands of dollars a year and that all goes into the local economy.

It would seriously be a shame to lose these. It would hurt local businesses, not to mention hurt anyone who's ever had the pleasure of using them.

-
3151. Name: ed emerle [REDACTED] on 2016-05-03 20:51:54
Comments: Keep the floating houses. They are a treasure for the community.
-
3152. Name: Ashley Loy [REDACTED] on 2016-05-03 20:55:39
Comments: Keep the homes on the lake!!
-
3153. Name: Carol Moschetto [REDACTED] on 2016-05-03 21:02:39
Comments:
-
3154. Name: LEEANNE MCGUIRE [REDACTED] on 2016-05-03 21:28:12
Comments:
-
3155. Name: Michael Meadors [REDACTED] on 2016-05-03 21:29:38
Comments: Please reconsider.
-
3156. Name: Rochelle Fenlon [REDACTED] on 2016-05-03 21:29:58
Comments:
-
3157. Name: Philip Munschauer [REDACTED] on 2016-05-03 21:39:02
Comments:
-
3158. Name: Tricia Atwood [REDACTED] on 2016-05-03 21:45:14
Comments:
-
3159. Name: Sarah Sanford [REDACTED] on 2016-05-03 21:46:39
Comments:
-
3160. Name: Emily Ottesen [REDACTED] on 2016-05-03 21:52:43
Comments:
-
3161. Name: Eddie Fowler [REDACTED] on 2016-05-03 21:55:19
Comments:

APPENDIX D

PASSED

Cherokee Council House
Cherokee, North Carolina

MAY 03 2016

RESOLUTION NO. 226 (2016)

WHEREAS, members of the Eastern Band of Cherokee Indians have enjoyed Fontana Lake and other regional lakes for many years; and,

WHEREAS, Fontana Lake is managed and operated as a reservoir of the Tennessee Valley Authority (TVA); and,

WHEREAS, members of the Eastern Band of Cherokee Indians own and enjoy non-navigable boathouses and floating houses on the Fontana Reservoir and have invested significant assets and resources into these structures; and,

WHEREAS, the TVA has allowed non-navigable boathouses and floating houses to proliferate through open non-enforcement of its regulations for nearly four decades; and,

WHEREAS, in 2016, TVA proposed a sunset provision that would require all non-navigable boathouses and floating houses to be removed from TVA lakes within twenty years; and,

WHEREAS, the non-navigable boathouse and floating house owners support TVA's new proposed environmental and safety regulations, as detailed in TVA Floating Houses Policy Review EIS Alternative B1, that would alleviate TVA's concerns without requiring the removal of these floating houses; and,

WHEREAS, non-navigable boathouses and floating houses are essential to the economic stability of regional marinas that provide employment and recreational opportunities for members of the Eastern Band of Cherokee Indians.

NOW THEREFORE BE IT RESOLVED by the Tribal Council of the Eastern Band of Cherokee Indians, in Council assembled, at which a quorum is present that the Tribal Council does hereby urge the Tennessee Valley Authority to reject a sunset provision that would require all non-navigable boathouses and floating houses to be removed from TVA lakes at some point in the future.

BE IT FURTHER RESOLVED that Tribal Council supports TVA EIS Alternative B1, which would grandfather existing non-navigable boathouses and floating houses but prohibit new.

BE IT FINALLY RESOLVED that an appropriate copy of this resolution be prepared for transmittal to the Board of Directors of the Tennessee Valley Authority upon ratification of the Principal Chief.

Submitted by: Albert Rose and Erik Sneed

APPENDIX E



State of Tennessee

SENATE JOINT RESOLUTION NO. 676

By Senators Yager, McNally

and

Representatives Powers, Calfee

A RESOLUTION to urge the Tennessee Valley Authority to reject a sunset provision that would require the removal of all floating homes from Tennessee Valley Authority lakes.

WHEREAS, the State of Tennessee has a rich, profitable, and successful history of floating homes on its Tennessee Valley Authority (TVA) lakes; and

WHEREAS, the citizens of Tennessee have for decades utilized such non-navigable/floating homes for lodging, recreation, and the enjoyment of Tennessee's natural wonders; and

WHEREAS, the Tennessee Valley Authority has allowed non-navigable/floating homes to proliferate through open non-enforcement of its regulations for nearly four decades; and

WHEREAS, citizens of Tennessee and neighboring states have purchased and invested substantial assets into non-navigable/floating homes in Tennessee on TVA lakes without knowing that TVA would cause such homes to be removed, and thus rendered worthless, without just compensation; and

WHEREAS, TVA allowed purchasers of existing non-navigable/floating homes to believe that their investments were safe due to its open non-enforcement of its regulations for nearly four decades, thus permitting marina owners to manage non-navigable/floating homes in their harbors, and allowing an economy to flourish in which non-navigable/floating home owners paid fees and dues to marina owners, and non-navigable/floating homes were bought and sold on the open market; and

WHEREAS, in 2016, TVA proposed a sunset provision that would require all non-navigable/floating homes to be removed from TVA lakes within twenty years; and

WHEREAS, the non-navigable/floating home owners support TVA's new proposed environmental and safety regulations, as detailed in TVA EIS option B1, that would alleviate TVA's concerns without requiring removal of floating homes; and

WHEREAS, TVA has taken the most aggressive step of recommending a sunset provision without first allowing a period of time to pass in which the new environmental and safety provisions have been in effect to determine if the new provisions sufficiently alleviate TVA's concerns; and

WHEREAS, non-navigable/floating homes are essential to the economic stability of Tennessee's marinas, which in turn are essential to the economy of the regions surrounding TVA lakes; now, therefore,

BE IT RESOLVED BY THE SENATE OF THE ONE HUNDRED NINTH GENERAL ASSEMBLY OF THE STATE OF TENNESSEE, THE HOUSE OF REPRESENTATIVES CONCURRING, that we hereby urge the Tennessee Valley Authority to reject a sunset provision that would require all non-navigable/floating homes to be removed from TVA lakes at some point in the future.

BE IT FURTHER RESOLVED, that an appropriate copy of this resolution be prepared for transmittal to the Board of Directors of the Tennessee Valley Authority.

SENATE JOINT RESOLUTION NO. 676

ADOPTED: April 20, 2016



RON RAMSEY
SPEAKER OF THE SENATE



BETH HARWELL, SPEAKER
HOUSE OF REPRESENTATIVES

APPROVED this 12th day of May 2016



BILL HASLAM, GOVERNOR

Mr. MEADOWS. Thank you, Ms. Sneed.
Commissioner Monteith, you're recognized for 5 minutes.

STATEMENT OF DAVID MONTEITH

Mr. MONTEITH. Congressman Meadows, committee members, thank you for the opportunity to letting us come today and testify of how important houseboats are on Fontana Lake. I would like to thank you, Congressman Meadows, for this opportunity, especially. This is very, very devastating to Swain County if we have to lose these.

Ladies and gentlemen, my name is David Monteith. I'm a Swain County Commissioner. I'm here today to let you know how the removal of houseboats from Fontana lake would affect the health of Swain County and Graham County. I also chair the Fontana Lake Waste Recovery, which wrote the ordinance not only for Swain County, but for seven States for TVA. I also went with TVA and presented to 47 other States this ordinance to make this work everywhere, because it does work.

Fecal coliform went from over 12,000—or 1,200, down to less than 35. But in 1943—we're going to talk about in 1943, a national park was added to Swain County. This took an additional 44,000 acres of land. Over 3,000 citizens then lost their homes. Today 86 percent of Federal land is—is owned by the Federal Government. Only 14 percent is taxable for Swain County. Folks, that's hard to exist and work with with a 14 percent, and taking these houseboats off the lake would be devastating for that.

In the midst of World War II, TVA took more than 11,000 acres of land from Swain County and Graham County to build Fontana Lake. It was to be helped to use as a war effort. The people of Swain County were told the power was needed to help end the war and to build a bomb which would help end the war, yet the Swain County citizens were forced to leave their lands.

Legal actions was taken that said they have to do so. If they don't want to, they've still got to do so, they will take and condemn land, but we have Judge Yates Webb held in the district court back in the 1950s, that this was illegal, against the Constitution of the United States, to take and condemn land, but we lost schools, we lost cemeteries, we lost Simmons grave, we lost settlements, churches, post offices, hotels, boarding houses, grocery stores, train depots, side tracks, ferries, hunting lodges, doctors, midwives, hospitals, blacksmith shop, orchards, grist mills, gas stations, saw-mills, spice dens.

These are things that Swain County lost. And, again, we lost because of not only the TVA part of this, an additional 44,000 acres, we had already lost from the first national park the same thing again. We lost over 6,000 people because of what's going on today, and we just—we need—enough is enough. It don't need to be continued.

As you plainly see, the efforts for changing have been served. Houseboat owners are asked to be forced off. This would lose Swain County over \$3 million of valuation, \$12,000 just to the economy of Swain County. And that, again, is devastating when you only have a 14 percent tax base to work with. If Swain County loses

houseboats on Fontana Lake, we will lose, as I said, \$12,000 in taxes and over \$3 million in valuation. And that don't count the other side of the lake, Graham County. They will double the same thing that we do. So that's how much the western North Carolina area will lose. 86 percent, as I've said, of Swain County is Federal land.

Fontana Lake Waste Recovery has cleaned the human waste out of Fontana Lake. We have brought it down from 1,400 CC's down to less than 35. This was written because, you know, local doctors told us how filthy Fontana Lake was because of houseboats, but there was nothing there to enforce it, so we wrote an ordinance to make it enforceable and got houseboat owners involved in doing just this one thing, and it's brought it down to less than 35. So that's how clean the lake is today, and we're very proud of it. TVA's proud of it, because they adopted it to other States and other lakes, so they know the effects of what has happened to Swain County.

So I do appreciate the consideration of this committee to help us to keep Fontana Lake clean; not only Fontana Lake, but other communities. Thank you.

[Prepared statement of Mr. Monteith follows:]

**STATEMENT OF DAVID MONTEITH, COUNTY COMMISSIONER, SWAIN COUNTY,
NORTH CAROLINA, BEFORE THE HOUSE COMMITTEE ON OVERSIGHT AND
GOVERNMENT REFORM, ON THE TENNESSEE VALLEY AUTHORITY PROPOSAL
TO REMOVE HOUSEBOATS FROM FONTANA LAKE IN SWAIN AND GRAHAM
COUNTIES IN NORTH CAROLINA**

September 23, 2016

Chairman Chaffetz, Ranking Member Cummings, and committee members, thank you for the opportunity to update the committee on the proposal to remove the houseboats on Fontana Lake. I would also thank my Representative, Congressman Meadows, and the Committee members for their interest in this important issue.

Ladies and gentleman, my name is David Monteith; I am a Swain County Commissioner. I am here today to let you know how removing houseboats from Fontana Lake would affect the health of Swain and Graham Counties.

Let me provide a brief history of what the people of Swain County have lost to government agencies: in 1880 the first National Park was suggested by Reverend C.D. Smith, a traveling preacher to the area. In 1926, Congress began to consider this suggestion, and 14 years later established new protected land. With this first national park, we lost around 3,000 people and over 11,000 acres of land from Swain County. But in 1943 the second national park was added to Swain County and another 44,000 acres were added to the park, causing another 3,000 citizens to lose their homes. Today 86% of Swain County is federal land, meaning the county must rely on diminished territory – only 14% of the total county – to fund the schools, roads, emergency responders, and other functions of county government.

In the midst of World War II, TVA took more than 11,000 acres of land from Swain and Graham Counties to build Fontana Lake, claiming it would help to end the war. The people of Swain County were told that power from a dam on the lake would be used to help build a bomb for the war effort. Yet again, the citizens of Swain County were forced off of their land through a combination of social pressure and legal action, even when they were unwilling to sell their property. District Court Judge Edwin Yates Webb ruled that it is illegal for one branch of the federal government to condemn land in order to give that land to another branch of the federal government, yet the federal government proceeded anyway. Because of TVA and Fontana Dam, Swain County lost over half of its tax-paying jobs, half of its population, half of its lumber companies and copper mines, more than 33 cemeteries including more than 11,000 graves, 35 settlements, over 30 churches, post offices, hotels and boarding houses, 25 grocery stores, 34 schools, 9 train depots, 15 side tracks, 4 ferries, 4 hunting lodges, many doctors, midwives, and hospitals, blacksmith shops, apple orchards, grist mills, gas stations, saw mills, splash dams, barber shops, dance halls, and movie theaters.

As you can plainly see, the effects of these changes have been severe. If houseboats owners are evicted from Fontana Lake, Swain County will lose over \$3 million in valuation and more than \$12,000 in essential tax revenue. Moreover, Swain County receives neither flood control nor

power from TVA or Fontana Dam. Despite this, we supply TVA with water to produce power for Tennessee, power for other states, and power for TVA to sell for revenue.

Let me list a few facts to review the hardship the houseboat sunset would cause Swain County, and the environmentally responsible steps Swain County has already taken to protect the health of Fontana Lake:

1. If Swain County loses the houseboats on Fontana Lake, the county will lose over \$12,000 from our tax base, and over \$3 million of tax valuation from houseboats.
2. 86% of Swain County is federally-owned land. The Swain County Commissioners must rely on 14% of county land to fund all the responsibilities of the county government.
3. The Fontana Lake Waste Recovery (FLWR) Organization, which I chaired, with grants from DENR, RC&D, TVA and Clean Water Management Trust, cleaned all the human waste from Fontana Lake. Today, this progress has been preserved because residents of Fontana Lake pump waste from their boathouses to keep the lake clean.
4. To provide this service to homeowners, Swain County, through the FLWR, purchased pump-out boats and waste tanks for all dock owners with houseboats.
5. The Fontana Lake Waste Recovery Organization also purchased a pontoon for getting water samples, and can also be used as a pump-out boat if needed.
6. All boathouses on Fontana Lake are in harbors, all on the south shore of Fontana Lake.
7. Fontana Lake Waste Recovery has cleaned the human waste out of Fontana Lake – a drastic reduction from over 700cc to less than 35cc.

I appreciate your careful consideration on this measure – what may seem like a small matter in Washington will have a lasting effect in North Carolina. Swain County and Fontana Lake residents have independently taken great steps to preserve their lake, and I would hope that these positive and proactive actions are not met with a mandate that residents abandon their homes. Thank you again for inviting me to testify before you today. I am happy to answer any questions that the committee may have at this time.

Mr. MEADOWS. Thank you, Commissioner.
Mr. Wilks, you're recognized for 5 minutes.

STATEMENT OF MICHAEL T. WILKS

Mr. WILKS. Mr. Chairman, honorable members of the committee, ladies and gentlemen, it is an honor and a privilege to sit here before you this morning representing the Tennessee Valley Floating Home Alliance. We're a group of floating homeowners, marina operators, renters, and people who enjoy the recreational resources of the Tennessee reservoirs.

On May 5th, 2016, the TVA officials recommended the so-called alternative V2 to the TVA board of directors for adoption from among several other options outlined in the Environmental Impact Statement. TVA commissioned for the purpose of dealing with floating homes—the floating home issue. Under alternative V2, TVA would approve existing floating houses that met new minimum standards and would allow for the mooring with permitted—within permitted harbor limits, but also would establish a future sunset date, at which time all existing floating homes must be forcibly removed from the TVA reservoirs, including previously permitted nonnavigables.

Based on its officials' recommendation, the TVA board adopted alternative V2, but in doing so, extended the sunset period from 20 to 30 years.

Why now, after almost 40 years of inactivity, did the TVA want to take such a Draconian approach to the issue? Why harm the people who believed that they were in compliance? Why harm local economies that rely on tourism dollars? Why not regulate and allow marina owners, who the TVA has entrusted to be stewards of the harbors, to monitor these structures? Why hasn't the TVA done its job?

Based on inaccuracies and exaggerations, the TVA painted a picture to the public that floating homeowners represented a basket of deplorables, squatters, polluters, and those taking the waters as their own, all to justify the removal of floating homes. TVA officials failed to inform the public and, to some extent, the board, that 98 percent of all floating homes are moored within the confines of marina harbors in waters leased by the TVA. Floating homes do not represent an unacceptable taking of public waters for private use, as TVA actually leases these waters, in which these vast majority of floating homes are moored, to marina owners. Marina owners pay TVA a fee to lease these waters, and floating homeowners, in turn, pay marina owners to sublease a mooring space. In order to be moored in a marina harbor, floating homeowners must contract with either the marina owner itself, or a qualified wastewater disposal company for the proper disposal of wastewater.

The TVFHA represents many stakeholders in this issue, not only from Tennessee and North Carolina, but also from States such as Georgia, Ohio, Indiana, Illinois, Florida, Arizona, Kentucky, and Virginia. Floating homeowners travel to reservoirs for weekends, or a week or two of vacation.

Many local people believe that the TVA would do nothing as usual. The TVA makes rules that they never follow or enforce, was

the sentiment of many. The TVA was mandating this forced removal, and this time the TVA apparently meant it.

In an April 2016 meeting of the TVA Regional Resource Stewardship Council, Ms. Rebecca Tolene, TVA vice president of natural resources, stated that she was, quote unquote, “hellbent on removing floating houses.” During the scoping process involved in the EIS, there were many comments related to the inconsistencies of the TVA. Marina operators, like Debbie Samples, stated on a June 24, 2014 public meeting that she spoke to a TVA official around 1997 and was told it was okay to build a floating home in her marina, and that the TVA was going to allow marinas to do what they wanted within the harbors. There’s many—there are stories like Maryanne and Tom Lefker, who built a floating home after talking with a TVA official, who led them to believe that the TVA was not regulating these structures anymore. Others reiterated hearing the same sentiments from the TVA.

Now these owners and others are to be levied fees, and at the end of 30 years, would be required to pay for the forced removal of their floating home from the lake.

Marina owners stand to lose 40 percent or more of their revenues, which will be difficult to recover, forcing many to close.

Revenues to counties in Tennessee would suffer significantly from the sunset. Campbell County, with 11 marinas, which collectively generate an estimated \$33 million of the total 54.24 million in tourism dollars spent in the county. Personal estimates of over \$8,000 per year for basic floating home costs, which over a conservative estimate number of 400 units, brings \$3.2 million to the Campbell County economy alone.

This is an exclusive—this is exclusive of the purchase of fuel, groceries, dining, and other items. Tourism is the only growth industry in the region since 2008, and now jobs would be lost. Campbell County Mayor E.L. Morton states, “This is a slap in the face to the citizens of the county, which has lost jobs in the mining industry as a result of the TVA not buying coal mined in the region.”

Our family made a choice to purchase a floating home on Norris Reservoir because of the cleanliness of the water, the beauty of the mountains, and the heritage and the friendliness of its people, bringing truth to the term “southern hospitality.” This is not the only story of its kind, as evidenced in the public comment sections at two TVA board meetings, letters to State and Federal legislators, and over 600 comments in a petition presented to the TVA.

While some on the TVA board believe that the additional time the board granted to floating homeowners would significantly mitigate the lost value suffered by owners, the real impact is today. TVA staff has belabored the point of floating homes, not unlike boats, depreciate in value over time, but if they are well-maintained or improved, they are likely to maintain or increase their value. Those that have sold have done so at values often below cost. Retirees like Janet and Gary Benzinger or Ray and Hazel Beal, a retired couple in their 80s, either lost thousands of dollars on the sale, or couldn’t sell it at all.

TVA staff wrongly assumed that these structures were built and handed down for generations into perpetuity. Our findings show

that these structures are bought and sold on an average of 5 to 8 years as financial demands and family situations change.

Marina owners have commented in meetings with the TVA that they have complied with the regulations regarding sewage and blackwater. Marinas or private contractors that pump out these vessels required by the TVA to keep records, including gallons pumped and where the waste is disposed of. These records are rarely, if ever, inspected by the TVA.

After approximately 40 years of what has been essentially regulatory neglect and often conflicting regulatory guidance from various TVA officials, the TVA apparently made the internal decision that it would be easier to force off all floating homes from the lakes than to create fair, regulatory policies and maintain effective compliance programs to enforce them, and if floating homeowners, marina owners, local governments lost tens of millions of dollars in uncompensated home value and tax revenue in the process, it was no concern to the TVA.

Apparently, in an effort to build its case for the decision, the TVA commissioned an EIS that was heavy on conclusions to justify the removal of floating homes, but light on the research to back up those conclusions. For example, the EIS concluded that floating homes hurt the water quality of TVA lakes, but did not include any real research to back up those conclusions, and, in fact, left out water quality research that showed excellent water quality on Fontana Lake.

Those not from the Tennessee Valley are unaware of the contradictions that TVA has created. Is the TVA a government agency or a private corporation responsible for driving profits from the sale of electricity? They're also unaware that the board is comprised of presidential appointees and that millions of dollars in salaries are paid to the executives of this Federal corporation.

The board realized that it had a real decision to make, which required more thought than usually needed. They didn't fathom that over 50 floating homeowners, marina owners, and others would travel some 8 hours to State the position that the vast majority of floating homes are not as they are described in the EIS. We give much credit to Chairman Joe Ritch, and especially Directors Michael McWherter and Marilyn Brown, for their attention. Directors McWherter and Brown held a position of holding off a decision, and directing the staff to further investigate the matter. This would allow time to correct the admitted blundering the TVA had done in the past.

We can all agree that there needs to be a registration or inventory of existing structures, including mooring systems, waterlines, electric cables in the various marinas. There needs to be—this needs to be done in conjunction with the marinas and organizations such as the TVFHA. Concise and sensible safety requirements must be developed, including a plan for future recreational use of structures like these.

Where we have a difficulty in reaching a meeting of the minds of the TVA is in the notion that floating homes represent an unresponsive, unacceptable private taking of public waters. You see, marinas on Norris Reservoir represent only 1.9 percent of the total surface area of the reservoir.

At the suggestion of the board, we and other groups have met with the staff to work on proposed regulations and develop a plan moving forward. The TVA recognizes the TVFHA as a voice and a mechanism to communicate new requirements and work towards better stewardship. We have asked the TVA to be included as a representative from our organization on the RRSC, so there can be a fair and balanced discussion on stewardship matters. We have also committed to an ambassador program with marinas and homeowners to help communicate the standards and assist in the registration and compliance measures, thus reducing costs for the TVA.

The TVA has an opportunity to turn its negative perception into a positive means for persons of the United States to utilize the resources in a positive and sustainable manner without removing those structures within compliance. Like the floating home associations in California and Washington, where floating homeowners and their government regulators have learned how to peacefully co-exist, there is an opportunity to work together here in a non-partisan manner if the TVA would just avail itself of it.

Thank you.

[Prepared statement of Mr. Wilks follows:]

**Written Testimony of Mr. Michael T. Wilks
President, Tennessee Valley Floating Homes Alliance (TVFHA)
September 23, 2016
before the House Oversight and Government Reform
Subcommittee on Government Operations**

It is an honor and a privilege to sit before you this morning representing the Tennessee Floating Homes Alliance (TVFHA). We are a group of Floating Home Owners, Marina Operators, Renters, and people who enjoy the recreational resources of the TVA Reservoirs.

We are here today as a result of the TVA's admitted "blundering" of its past regulatory enforcement, gross exaggerations, and misrepresentations to the public regarding floating homes, and its knee jerk reaction to any perceived problems. Subsequent to their ban on Non Navigable or Floating Homes in 1978 (Appendix 1), the TVA has allowed Floating Homes to promulgate on their reservoirs with both explicit and implied permission (Appendix 2).

On May 5, 2016, TVA officials recommended so-called Alternative B2 to the TVA Board of Directors (Board) for adoption from among several options outlined in the Environmental Impact Statement (EIS) TVA had commissioned for the purpose of "dealing" with the Floating Home issue. Under Alternative B2 TVA would approve Existing Floating Houses that met new minimum standards, and would allow mooring within permitted marina harbor limits. But through regulation TVA would also establish a future "sunset" date by which time all Existing Floating Homes must be forcibly removed from TVA Reservoirs, and would immediately prohibit any new Floating Homes from the reservoirs. TVA would continue to allow existing Non Navigables that are compliant with their permit conditions but would require that they also be removed from TVA reservoirs by the sunset date. Based on its officials' recommendation, the TVA Board adopted Alternative B2, but in doing so, extended the sunset period found in Alternative B2 from twenty (20) to thirty (30) years.

Based on inaccuracies and exaggerations, the TVA painted a picture to the public that Floating Home owners represented a "basket of deplorables": squatters, polluters, and those taking the waters as their own, all to justify the removal of the Floating Homes. TVA officials failed to inform the public, and to some extent the Board, that ninety-eight percent (98%) of all Floating Homes are moored within the confines of marina harbors in waters leased by TVA (statement by Rebecca Tolene in April 2016 RRSC Meeting) for that and other purposes. Thus, Floating Homes are clearly not "squatters." But neither do Floating Homes represent an unacceptable "taking" of public waters for private use. TVA actually leases these waters in which the vast majority of Floating Homes are moored to Marina Owners. Marina Owners pay TVA a fee to lease the waters, and Floating Home Owners in turn pay Marina Owners to sublease mooring space in these waters. Finally, in order to be moored in marina harbor waters,

Floating Home Owners must contract with either the Marina itself or a qualified waste water disposal company for the proper disposal of all waste water. Thus, Floating Homes are also not the polluters TVA has depicted.

Once informed that TVA officials were going to recommend Alternative B2 to the Board, Home Owners, Marina Owners, and State and Local Officials became alarmed. Why, now after almost 40 years of inactivity did the TVA want to take such a draconian approach to the issue? Why harm people who believed they were in compliance? Why harm local economies that rely on tourism dollars? Why not regulate and allow Marina Owners, who TVA has entrusted to be stewards of the harbors, to monitor these structures? Why hadn't the TVA done its job? This was a call to action.

TVFHA represents many stakeholders in this issue, not only from Tennessee and North Carolina, but also from states such as Georgia, Ohio, Indiana, Illinois, Florida, Maryland, Arizona, Kentucky and Virginia. Floating Home Owners travel to reservoirs for weekends, or a week or two of vacation. Some retirees may stay on Floating Homes for months at a time, but not year round. Not many people peruse the Federal Register looking for TVA Notices. So when the TVA published meeting notices in local print media, many were unaware of the public meetings, or not available to attend, or unaware they could make comments in writing to the TVA. Many local people believed that the TVA would "do nothing as usual." "The TVA makes rules they never follow or enforce" was the sentiment of many. But such was not to be the case this time. The TVA was mandating this forced removal, albeit in thirty (30) years, and this time TVA apparently meant it. In the April 2016 meeting of the TVA Regional Resource Stewardship Council (RRSC) in Chattanooga, TN, Ms. Rebecca Tolene, TVA Vice President of Natural Resources and Real Property Services, stated that she was "hell bent" on removing the floating houses.

Many people perused the EIS but some like Mary Ann Smith Lefker, a floating home owner and village mayor from Ohio, dissected this document and questioned its validity. How could the TVA publish an EIS, without really checking their facts: discussing poor water quality without a study of water quality in marinas and on the lake as a whole; discussing electrical safety, without examining the root cause of Electrical Shock Drownings and incidents on the reservoirs; showing structures which appear to be outside of harbor limits, without explaining what those harbor limits are and the eminent impact to the local economy. MaryAnn is accustomed to working with various state and federal agencies. As she puts it, "facts are facts," and this does not add up to the conclusion that Alternative B2 is a logical choice.

During the Scoping process involved with the EIS there were many comments relating to the inconsistencies of the TVA (Appendices 3 and 6). Marina Operators like Debbie Samples, stated at the June 24, 2014 public meeting in LaFollette, TN that she spoke with TVA official George Humphries (now retired), around 1997 and was told that it was OK to build floating homes in her marina, and that the TVA was going to allow Marinas to do what they wanted within their harbors. There are stories like MaryAnn and her husband, who built a Floating Home after talking with a TVA official who led them to believe that the TVA was not regulating these structures any more. Donna and Rick Driskoll, also from Ohio, reiterated hearing those same sentiments from TVA. Mike and Lynne Miller from Knoxville, Tennessee and Terri and Joe Stemple from Lexington, KY, are floating home owners that were told by a Marina owner and developer that the floating home they had was perfectly legal, and was approved by

the Tennessee Wildlife Resources Agency (TWRA), and that the TVA had approved the development at Mountain Lake on Norris Reservoir. Such was the understanding that TVA created by its nearly four decade non-enforcement of any regulations concerning Floating Homes. Now these owners and others are to be levied fees, and at the end of thirty (30) years, they would be required to pay for the removal of their Floating Home from the lake.

The impact of the sunset to local economies will be devastating. Marina owners with Floating Homes moored in their harbors would lose forty percent (40%) or more of their revenues which will be difficult to recover, forcing many to close or sell. Revenues to counties in Tennessee would suffer significantly from the sunset. An example is Campbell County, with 11 Marinas which collectively generate an estimated \$33 million of the total \$54.24 million in tourism dollars spent in the county (Appendix 4). An estimate based on our personal base expenses of Buoy Fees, Dock Fees (we need a boat to get to our house), Water, Electric and Insurance of \$8,011.00 (Appendix 5) which over a conservative estimated number of 400 units brings \$3.204 MM to the Campbell County economy alone. This is exclusive of the purchase of fuel, groceries, dining, furniture, maintenance, building supplies, and appliances. Tourism is the only growth industry in the region since 2008, job growth that employs some year around would be lost. Per the Campbell County Mayor, E.L Morton, "This is a slap in the face to the citizens of the county which has lost jobs in the mining industry as a result of TVA not buying coal mined in the region".

There are many options across this great land to visit and in which to recreate. Like many FIFO's (Friendly Idiots from Ohio), as the locals on the lake may call us, our family became addicted to Norris Lake. First coming here for a weekend, then a week, and then having a camper in the private campground at Shanghai Resort. Finally, my mother-in-law decided that a floating home would be great for her family and grandchildren and she wouldn't have to deal with the mud along the shore. So we bought this house, never thinking that anything was wrong. It was in a Marina, approved by the Marina Owner, had all of the sanitation required by the TVA. We made a choice to locate on Norris Lake in Tennessee because of the cleanliness of the water, the beauty of the mountains, the heritage and the friendliness of its people, bringing truth to the term "Southern Hospitality." We bring friends from Michigan, who cannot believe how deep and pure the water is. Those friends have returned and brought their friends, staying on our floating house, renting rooms at the marina motel, and renting a floating home. This is not the only story of its kind, as evidenced by the public comment sessions at two TVA Board meetings, letters to state and federal legislators, and over 600 comments in a petition presented to the TVA.

The rest of the story is the lost value of our Floating Homes caused by the sunset. While some on the TVA Board believe that the additional ten (10) years the Board granted to the Floating Home Owners at their May 5 Board meeting, for a total sunset period of thirty (30) years, would sufficiently "mitigate" the lost value suffered by owners, the real impact is not in thirty (30) years, but rather, it's today. In many discussions, TVA Staff has belabored the point that floating homes, not unlike boats, depreciate in value over time. A boat's useful life would typically be much less than the 30 years. Floating Houses and Production Houseboats are not like a runabout or ski boat. If they are well maintained or improved, they are likely to maintain or increase their value. But with the announcement of a "sunset", sales decreased at a dramatic rate. Those that have sold have done so at values often below cost. One

couple, Janet and Gary Benzinger of Ohio, lost thousands of dollars of their retirement fund in the sale of their Floating Home. Ray and Hazel Beal, a retired couple in their 80's, cannot sell their floating home due to the uncertainties created by the TVA announcement. There was also an assumption on the part of TVA staff that these structures were built and handed down for generations into perpetuity. This was an assumption without much research. Our findings show that these structures are bought and sold on average every 5 to 8 years, as financial demands or family situations change.

Marina Owners have commented in meetings with TVA that they have complied with regulations regarding sewage, or black water. Contrary to the belief and propaganda, Floating Homes, Houseboats, and Cruisers are equipped with Marine Sanitation Devices, most of which have holding tanks that are required to be pumped out. Floating Homes are not even equipped with a "Y" valve which would allow for voluntary discharge into the water. Marinas or private contractors that pump out these vessels are required by the TVA to keep records including gallons pumped and where the waste is disposed of. These records are rarely if ever inspected by the TVA. This is another example of the ineffectiveness of the TVA.

After approximately forty (40) years of what was essentially regulatory neglect, interspersed with periodic and often conflicting regulatory guidance from various TVA officials, the TVA apparently made the internal decision, at least at the staff level, that it would be easier to force all the Floating Homes off the lakes than to create fair regulatory policies and maintain effective compliance programs to enforce them. And if the Floating Home owners, Marina Owners, and Local Governments lost tens of millions of dollars in uncompensated home value and tax revenue in the process, it was of no concern to the TVA.

Apparently in an effort to build the case for this decision, the TVA commissioned an EIS that was heavy on conclusions to justify the removal of our Floating Homes, but light on the research to back up those conclusions. For example, the EIS concluded that Floating Homes hurt the water quality of TVA lakes, but did not include any real research to back up the conclusions, and in fact, left out water quality research that showed excellent water quality on Fontana Lake. Additionally, out of over 1800 Floating Homes, the TVA found a very small percentage that were in a run-down condition, were floating outside the confines of marina harbors, or were relatively excessive, and to further the narratives that our Floating Homes were eyesores, interfered with navigation, and were owned by a financially privileged few, pictures of these examples were included in the EIS with the implication that they were representative of the norm, thus the Floating Homes needed to be removed.

Outsiders - those not from the Tennessee Valley - are unaware of the contradictions that TVA has created. Is TVA a government agency created by the TVA act of 1933 or a private corporation responsible for driving profits from the sale of electricity? Most of the Citizens of the United States, for whom these reservoirs were built, are unaware that TVA's Board is appointed by the President of the United States and confirmed by the Senate, or of the over \$10 Million in Executive Salaries TVA pays each year.

TVA's Board never imagined that this Floating Home issue would bring so many comments, letters, email, and phone calls in favor of Floating Homes in the days before the May 5, 2016 Board meeting in

Paris Landing, Tennessee. The Board realized that it had a real decision to make which required more thought than is usually needed to simply rubber stamp a recommendation by staff. The Board did not realize that over fifty (50) Floating Home owners, Marina owners and others would travel some eight (8) hours, to state the position that the vast majority of Floating Homes are not as they are described in the EIS. The Board listened attentively to the over 3 hours of comments, taking copious notes.

We give much credit to Chairman Joe Ritch and especially Directors Michael McWherter and Marilyn Brown for their attention. Directors McWherter and Brown held a position of holding off on a decision, and directing staff to further investigate the matter. Such would have allowed time to develop a sustainable, compromise solution to TVA's self-acknowledged "Blundering" of this issue in the past. While a slight majority of the Board, in a 5-4 vote, disagreed with this approach, Director McWherter's position, had it been adopted, would have been a common sense approach to the issue. However, the Board did recommend to the staff to work with various stakeholders, like the TVFHA, to develop regulations and a fee structure for Floating Homes, but stated its firm position that all Floating Homes must be removed in thirty (30) years.

Like Directors McWherter and Brown, we have found that this is a very complex issue with many moving parts. Not only were there inconsistencies with who has jurisdiction and to what degree, and the enforcement of existing regulations, but there have literally been new economies created and driven by the existence of these floating houses, which have a financial impact to the region. Families and individuals would be financially harmed in addition to the marinas and local counties. The challenge is to develop plans that are sustainable into the future.

We can all agree there needs to be a registration or inventory of existing structures, including the mooring systems, waterlines and electric cables in the various marinas. This needs to be done in conjunction with the Marinas and organizations such as the TVFHA. Concise and sensible safety requirements must be developed. There needs to be a plan for the future recreational use of structures like these.

Where we have a difficulty in reaching a meeting of the minds with TVA is with its notion that Floating Homes represent an unacceptable private taking of the public waters that others, such as fishermen and boaters, could be using. You see marinas on Norris Reservoir represent 1.9% of the total surface area of the reservoir and Fontana encompasses 9.74%, due to the topography and annual draw down of the dam. The same rationale would hold true for the estimated 30,000 docks that line the shorelines of all TVA reservoirs. The TVA is quick to point out that all of those structures are required to have a Section 26a permit, so their approval has been granted.

We admit there have been sins on both sides of this issue, but the past is the past, what we as reasonable people must determine is where do we go from here, without doing more harm than good. At the suggestion of the Board, we and other groups have met with the TVA staff to work on proposed regulations, and develop a plan moving forward. The TVA recognizes the TVFHA as a voice and mechanism to communicate new requirements and work towards better stewardship. We have asked the TVA to include a representative from our organization on the RRSC, so there can be a fair and

balanced discussion and recommendation to the TVA Board on stewardship matters. We have also committed to an Ambassador program with Marinas and home owners, to help communicate standards, and assist in the registration and compliance measures.

The TVA has an opportunity to turn its negative perception into a positive means for persons of the United States to utilize the resources in a positive and sustainable manner, without removing those structures within compliance. Like other Floating Home Associations in California and Washington, where the Floating Home owners and their government regulators have learned how to peacefully co-exist, there is an opportunity to work together here, in a non-partisan manner, if TVA will just avail itself of it.

In closing, those who own, rent or visit floating homes are a group of folks who come to the reservoirs to rest, relax, and forget about the pressures of everyday life or illnesses they may have. They are not just those with wealth, but blue collar working men and women, Coalmine and Manufacturing retirees, Black, White, Hispanic, Straight, Gay, Transgender, Young and Old. As my lake neighbor and philosopher so eloquently put it, "When we are all floating in the water, half naked, with a beverage, we are all equal".

Appendix 1 Post 1978 TVA Information

TENNESSEE VALLEY AUTHORITY

REGULATION OF HOUSEBOATS, BOATHOUSES, SIMILAR FLOATING STRUCTURES,
AND HARBOR LIMITS CONTAINED IN TITLE 18,
CODE OF FEDERAL REGULATIONS

EFFECTIVE FEBRUARY 15, 1978

1304.3 Flotation devices and material. (a) Because of the possible release of toxic or polluting substances, and the hazard to navigation from metal drums that become partially filled with water and escape from docks, boathouses, houseboats, floats, and other water-use structures and facilities for which they are used for flotation, TVA has prohibited use of metal drums in any form, except as authorized in subsection (b) of this section, for flotation of any facilities requiring approval under these regulations before being constructed or placed on any TVA reservoir.

(b) The only metal drums permitted are those which have been filled with plastic foam or other solid flotation materials and welded, strapped, or otherwise firmly secured in place prior to July 1, 1972, on existing facilities, but replacement of any metal drum flotation permitted to be used by this subsection must be with some type of permanent flotation device or material, for example, pontoons, boat hulls, or other buoyancy devices made of steel, aluminum, fiberglass, or plastic foam, not including filled metal drums.

(c) Every flotation device employed in the Tennessee River system must be firmly and securely affixed to the structure it supports with materials capable of withstanding prolonged exposure to wave wash and weather conditions.

1304.4 Treatment of sewage. No person operating a commercial boat dock on or over real property of the United States in the custody and control of TVA, or on or over real property subject to provisions for the control of water pollution in a deed, grant of easement, lease, license, permit, or other instrument from or to the United States or TVA shall permit the mooring on or over such real property of any watercraft or floating structure equipped with a marine toilet unless such toilet is in compliance with all applicable statutes and regulations, including the FWPCA and regulations issued thereunder.

1304.5 Removal of unauthorized, unsafe, and derelict structures. If, at any time, any dock, wharf, floating boathouse, non-navigable houseboat . . . or other fixed or floating structure or facility anchored, installed, constructed, or moored under a license, permit, or approval from TVA is not constructed in accordance with plans approved by TVA, or is not maintained or operated so as to remain in accordance with such plans, or is not kept in a good state of repair and in good, safe, and substantial condition, and the owner or operator thereof fails to repair or remove such structure (or operate or maintain it in accordance with such plans) within ninety (90) days after written notice from TVA to do so, TVA may cancel such license, permit, or approval and remove such structure, or cause it to be removed, from the Tennessee River system and/or lands in the custody or control of TVA. Such written notice may be given by mailing a copy thereof to the owner's address as listed on the license, permit, or approval or by posting a copy on the structure or facility. TVA will remove or cause to be removed any such structure or facility anchored, installed, constructed, or moored without such license, permit, or approval, whether such license or approval has once been obtained and subsequently canceled, or whether it has never been obtained.

1304.108 Conditions of approvals. (c) . . . no plans will be approved for any structure, including by way of example only, boat docks, piers, fixed boathouses, floats or rafts, if they provide for toilets, living or sleeping quarters, or any type of enclosed floor space in excess of 25 square feet, not including walkways around boat wells or mooring slips. Such walkways shall not exceed 4 feet in width unless, in the sole judgment of the Director of the Division of Property and Services, the size of the well or slip justifies a greater width. For the purposes of these regulations, floor space shall not be deemed enclosed solely because of plans providing for the use of wire mesh or similar screening which leaves the interior of the structure or facility open to the weather: *And, provided, further,* that nothing contained in this paragraph shall be construed as prohibiting enclosure of the boat well or mooring slip proper. In the case of applications for structures to be used as part of a public boat dock, marina, or other public or commercial facility, the requirements of this paragraph (c) may be waived or modified by the Director of the Division of Property and Services if he considers such waiver necessary or desirable for proper development of the facility.

1304.200 Scope and intent. These regulations govern the designation of harbor areas at commercial boat docks and the approval of structures and facilities which may be moored or installed in such areas and in other areas in the Tennessee River and its tributaries, all in such a manner as to avoid obstruction of or interference with navigation and flood control, avoid or minimize adverse effects on public lands and reservations, prevent the preemption of public waters by houseboats moored in permanent or semipermanent locations outside such harbors and used as floating dwellings, attain the widest range of beneficial uses of land and land rights owned by the United States of America, enhance reasonable recreational use of TVA reservoirs by all segments of the general public.

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protect lands and land rights owned by the United States alongside and adjacent to TVA reservoirs from trespass and other unlawful or unreasonable uses, and maintain, protect, and enhance the quality of the human environment.

1304.201 Definitions. The following words or terms shall have the meaning specified in this section, unless the context requires otherwise:

Existing as applied to floating boathouses or other structures, except houseboats, means those which were moored, anchored, or otherwise installed on, along, or in a TVA reservoir on or before July 1, 1972. *Existing* as applied to houseboats shall mean those which were moored, anchored, or otherwise installed on, along, or in a TVA reservoir on or before February 13, 1978.

Floating boathouse means a floating structure or facility, any portion of which is enclosed, capable of storing or mooring any houseboat or other vessel under cover.

Houseboat means any vessel which is equipped with enclosed or covered sleeping quarters.

Navigable houseboat means any self-propelled houseboat having maneuverability which is (a) built on a boat hull or on two or more pontoons; (b) equipped with motor and rudder controls located at a point on the houseboat from which there is forward visibility over a 180° range; and (c) in compliance with all applicable State and Federal requirements relating to watercraft; provided, however, that any existing houseboat which was deemed navigable under the provisions of the former § 1304.201, which became effective November 21, 1971, shall continue to be deemed navigable for all purposes of this subpart, except that such houseboats shall be subject to the provisions of § 1304.203(d).

New as applied to houseboats, floating boathouses, floats, or other structures means all houseboats, floating boathouses, floats, or other structures, other than existing ones.

Nonnavigable houseboat means a houseboat not in compliance with one or more of the criteria defining a navigable houseboat.

Pontoon means an elongated watertight box or cylinder extending fore and aft for the full length of a vessel and having a sloped or molded bow to facilitate movement through the water.

Vessel means any watercraft or other structure or contrivance used or capable of use as a means of water transportation, such as a boat, floatboat, or houseboat.

1304.202 Designation of harbor areas at commercial boat docks. The landward limits of harbor areas are determined by the extent of land rights held by the dock operator. The lakeward limits of harbors at commercial boat docks will be designated by TVA on the basis of the size and extent of facilities at the dock, navigation and flood control requirements, optimum use of lands and land rights owned by the United States, and on the basis of the environmental effects associated with the use of the harbor. Mooring buoys or slips and indefinite anchoring are prohibited beyond such lakeward limits, except as otherwise provided in these regulations.

1304.203 Houseboats. (a) No new nonnavigable houseboat shall be moored, anchored, or installed in any TVA reservoir.

(b) Existing nonnavigable houseboats may remain in TVA reservoirs subject to the provisions of paragraph (d) of this section, but only if (1) they have flotation devices complying with § 1304.3; (2) they are approved and numbered pursuant to § 1304.205 and 1304.206; and (3) they are moored in compliance with paragraph (c) of this section.

(c) Existing nonnavigable houseboats shall be moored:

1. To mooring facilities provided by a commercial dock operator within the designated harbor limits of his dock; or
2. To the bank of the reservoir outside the designated harbor limits of commercial boat docks, if the houseboat owner is the owner or lessee of the abutting property at the mooring location (or the licensee of such owner or lessee) and has requested and obtained from TVA, pursuant to § 1304.205, written approval authorizing mooring at such location.

(d) Ordinary maintenance and repair of existing nonnavigable houseboats permitted to be moored pursuant to this section may be continued, including replacement of metal drum flotation as required by § 1304.3, but such houseboats may not be structurally modified or expanded, nor may they be replaced, rebuilt, or returned to the reservoir when they have been abandoned, destroyed, or removed from the reservoir or have deteriorated or been damaged so as to be unusable and unrepairable.

§ 1304.203(a) and 1304.204(b) of Title 18 of the Code of Federal Regulations prohibit new nonnavigable houseboats and new floating boathouses not meeting the requirements of § 1304.203(d) in TVA reservoirs. These sections also provide that existing nonnavigable houseboats approved for continued mooring on TVA reservoirs and all floating boathouses shall be moored: (1) To mooring facilities provided by a commercial dock operator within the designated harbor limits of his dock; or (2) to the bank of the reservoir outside the designated harbor limits of commercial boat docks, if the houseboat or boathouse owner is the owner or lessee of the abutting property at the mooring location (or the licensee of such owner or lessee) and has requested and obtained from TVA, pursuant to § 1304.205, written approval authorizing mooring at such location.

In all cases where more than one person owns or leases the abutting property at a present or proposed mooring location as tenants in common or in any other sort of cotenancy, TVA interprets the terms "the owner or lessee of the abutting property" and "such owner or lessee" in 18 CFR § 1304.203(c)(2) and § 1304.204(b)(2) as meaning all of the owners of such abutting property. The owner or owners of only a fractional interest or of fractional interests totaling less than one in any such property shall under no circumstances be considered, by virtue of such fractional interest or interests only, to be the "owner or lessee" of such abutting property for the purposes of 18 CFR § 1304.203(c)(2) or § 1304.204(b)(2) and, as such, eligible to moor or license others to moor as provided therein without the consent of the other coowners.

1304.204 Floating boathouses. (a) Floating boathouses may be moored in TVA reservoirs only if (1) they have flotation devices complying with § 1304.3; (2) they are approved and numbered pursuant to § 1304.205 and 1304.206; and (3) they are moored in compliance with paragraph (b) of this section.

(b) All floating boathouses shall be moored:

1. To mooring facilities provided by a commercial dock operator within the designated harbor limits of his dock; or
2. To the bank of the reservoir outside the designated harbor limits of a commercial boat dock, if the boathouse owner is the owner or lessee of the abutting property at the mooring location (or the licensee of such owner or lessee) and has requested and obtained from TVA, pursuant to § 1304.205, written approval authorizing mooring at such location.

(c) Ordinary maintenance and repair of existing floating boathouses permitted to be moored pursuant to this section may be continued, including replacement of metal drum flotation as required by § 1304.3, but such floating boathouses may not be structurally modified or expanded, or replaced, rebuilt, or returned to the reservoir when they have been abandoned, destroyed, or removed from the reservoir, or have deteriorated or been damaged so as to be unusable or unrepairable; provided, however, that such floating boathouses may be so structurally modified or expanded, replaced, rebuilt, or so returned to the reservoir if they comply with all the requirements of § 1304.205(d) and approval is obtained under that section as for a new floating boathouse. See § 1304.203 for interpretation.

1304.205 Approval of plans for floating boathouses and nonnavigable houseboats. (a) Existing nonnavigable houseboats and all floating boathouses must be approved pursuant to these regulations.

(b) Persons proposing to moor new floating boathouses shall submit applications to TVA prior to commencement of construction or mooring thereof. Applications shall be accompanied by plans showing in reasonable detail the size and shape of the facility; the kind of flotation device; the proposed mooring locations thereof; whether a marine toilet is on the facility; and the name and mailing address of the owner. TVA shall be kept advised of any changes in the kind of flotation devices which may be made by the applicant after approval is granted. Plans described in this section shall be in lieu of the plans specified in § 1304.103(a).

(c) If the proposed mooring location is outside the designated harbor limits of a commercial boat dock, the application and plans shall be accompanied by evidence satisfactory to TVA showing that the applicant is the owner or lessee of the abutting property at the proposed mooring location, or the licensee of such owner or lessee.

(d) Applications for new floating boathouses will be disapproved if the plans provide for toilets, living or sleeping quarters, or enclosed spaces with more than 25 square feet of floor space, not including walkways around boat wells or mooring slips. Such walkways shall not exceed 4 feet in width unless, in the sole judgment of the Director, the size of the well or slip justifies a greater width. A new floating boathouse or part thereof shall not be deemed enclosed solely because of plans providing for the use of wire mesh or similar screening which leaves the interior of the structure open to the weather, and nothing contained in this subsection shall be construed as prohibiting enclosure of the boat well or mooring slip proper. Plans for any new floating boathouses will also be disapproved if the proposed flotation device includes metal drums in any form.

(e) Applications for mooring outside designated harbor limits will be disapproved if TVA determines that such proposed mooring

4

location will be contrary to the intent of these regulations, of § 1304.2, or of any applicable law. Applications will also be disapproved if marine toilets not in compliance with § 1304.4 are proposed.

(f) Approvals of applications shall contain such conditions as may be required by law and may contain such other conditions as TVA determines to be necessary or desirable to carry out the intent of these regulations or other applicable law. Included, without limitation, among such conditions are conditions relating to the mooring of houseboats and floating boathouses at locations outside the designated harbor limits of commercial boat docks. Strict compliance with all conditions will be required.

1304.206 Numbering and transfer of approved facilities. (a) Upon approval of an application concerning a nonnavigable houseboat or floating boathouse, TVA will assign a number to such facility. The owner of the facility shall paint such number on, or attach a facsimile thereof to, a readily visible part of the outside of the facility in letters and figures not less than three (3) inches high. The placement of such number shall be consistent with the requirements of any State or Federal law or regulation concerning numbering of watercraft.

(b) The transferee of any floating boathouse or nonnavigable houseboat approved pursuant to these regulations and which, after transfer, remains subject to these regulations, shall promptly report such transfer to TVA. A facility moored at a location approved pursuant to these regulations shall not be moored at a different location without prior approval of such location by TVA, except for transfers of location to or between mooring facilities provided by commercial dock operators within the designated harbor limits of their docks.

Information concerning contents of applications, kinds and amounts of information required to be submitted for specific structures and suggested forms which can be used are available from one of the following offices:

Manager, Property Management, Western Land Resources District,
Tennessee Valley Authority, Post Office Box 280, Paris,
Tennessee 38242 (Office location: 202 West Blythe Street,
Paris)

Manager, Property Management, Southern Land Resources District,
Tennessee Valley Authority, 170 Office Service Warehouse,
Muscle Shoals, Alabama 35660 (Office location: same)

Manager, Property Management, Central Land Resources District,
Tennessee Valley Authority, Post Office Box 606, Athens,
Tennessee 37303 (Office location: 1101 Congress Parkway,
Athens)

Manager, Property Management, Eastern Land Resources District,
Tennessee Valley Authority, 2611 West Andrew Johnson Highway,
Morristown, Tennessee 37814 (Office location: same)

Appendix 2 Plans and Approvals



Tennessee Valley Authority, 615 North 3rd Street, Nashville, Tennessee 37203

March 30, 1994

Mr. Leon R. Beal
[REDACTED]
Bellbrook, Ohio 45305

Dear Mr. Beal:

NORRIS RESERVOIR - WITHIN THE HARBOR LIMITS OF SHANGHAI RESORT

We have reviewed your March 23 request for TVA's approval of plans for the construction of a navigable houseboat to be moored within the harbor limits of Shanghai Resort.

It appears that the proposed structure will meet TVA's requirements for a navigable houseboat if constructed in accordance with the enclosed plans. Any toilet facilities that are installed on the houseboat must be U.S. Coast Guard and/or state approved. It is our understanding that a U.S. Army Corps of Engineers' permit is not required for a navigable houseboat.

Please let us know when construction has been completed, at which time we will inspect and determine if a demonstration of the structure's navigability is required. A copy of TVA's regulations defining navigable houseboats (Section 1304.201) is enclosed for your information.

If you should have questions, please contact me at (615) 632-1823.

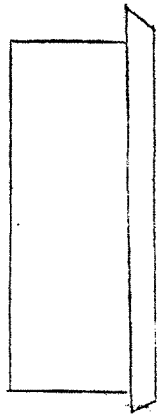
Sincerely,

A handwritten signature in cursive script that reads "William B. Tidwell".

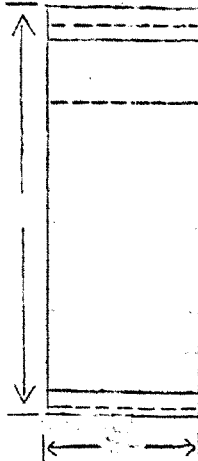
William B. Tidwell
Norris Reservoir Land Management Team

Enclosure

PLANS FOR A PROPOSED NEW NAVIGABLE HOUSEBOAT
 (See definition of navigable houseboat below.)



Side View



Plan

Indicate outside dimensions of houseboat.

Show location of steering and motor controls so that it can be determined if there is not less than 100° forward visibility.

Show location of windows if controls are on inside of structure.

Give horsepower of motor _____ and state registration No. _____.

Navigable houseboat means any self-propelled houseboat having maneuverability which is (a) built on a boat hull or on two or more watertight pontoons; (b) equipped with motor and rudder controls located at a point on the houseboat from which there is forward visibility over a 180° range; and (c) in compliance with all applicable State and Federal requirements relating to watercraft.

1. Describe type of flotation _____

2. Toilet Facilities:

a. Houseboat has marine toilet _____
 Brand Name _____ Model No. _____
 Coast Guard Certification No. _____

b. Houseboat does not have a toilet _____

Name of Applicant _____
 Address _____



Tennessee Valley Authority, 17 Ridgeway Road, Box 820, Norris, Tennessee 37828-0820

September 22, 1994

Mr. & Mrs. Henry Boles
Route 1, Box 100
Jellico, Tennessee, 37762

Dear Mr. & Mrs. Boles:

NORRIS RESERVOIR - WITHIN THE HARBOR LIMITS OF SHANGHAI MARINA

A recent inspection of your houseboat located at Shanghai Marina on Norris Reservoir revealed that it had been constructed in accordance with plans approved on November 18, 1994.

Since your houseboat meets our requirements for a navigable structure, we will not require a demonstration of navigability at this time.

Thank you for your cooperation.

Very truly yours,

A handwritten signature in cursive script that reads "William B. Tidwell".

William B. Tidwell
Norris Reservoir Land Management Team

mailed 10-4-93

APPLICANT

Name HENRY & HAZEL BOLES

Address [REDACTED]

JELLOGO, TN 37762

Res. Phone [REDACTED] Data 10-4-93

Bus. Phone [REDACTED]

Manager, Eastern District
Division of Land and Forest Resources
Tennessee Valley Authority
2611 West Andrew Johnson Highway
Morristown, Tennessee 37814

Dear Sir:

I request TVA's review of the enclosed plans for a navigable houseboat.

The structure will be moored on Norris Lake at the following location:

Shanghai
Name of Commercial Boat Dock

or

At lot No. _____ in the _____ Subdivision

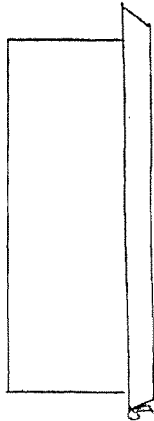
or

At the location shown on the enclosed map where I own or lease the adjoining private property.

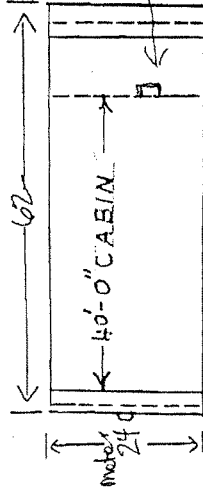
Henry & Hazel Boles
Applicant's signature

*OK by
Roger Jones
11/9/93*

PLANS FOR A PROPOSED NEW NAVIGABLE HOUSEBOAT
(See definition of navigable houseboat below.)



Side View



Plan

Indicate outside dimensions of houseboat.

Show location of steering and motor controls so that it can be determined if there is not less than 180° forward visibility.

Show location of windows if controls are on inside of structure.

Give horsepower of motor 75; and State registration No. _____.

Navigable houseboat means any self-propelled houseboat having maneuverability which is (a) built on a boat hull or on two or more watertight pontoons; (b) equipped with motor and rudder controls located at a point on the houseboat from which there is forward visibility over a 180° range; and (c) in compliance with all applicable State and Federal requirements relating to watercraft.

1. Describe type of flotation Styrofoam

Encased in Aluminum - Tapered Fronts

2. Toilet Facilities:

a. Houseboat has marine toilet

Brand Name Beckley Model No. RYAN

Coast Guard Certification No. _____

b. Houseboat does not have a toilet

Name of Applicant HENRY & HAZEL BOLES

Address [REDACTED]
JELICO, TN 37762

Steering & motor controls

Appendix 3 Scoping Session Comments

LaFollette, TN: June 24, 2014LaFollette Commenter 1

TVA has turned a blind eye 15 years and knew the floating houses were being built. Grey water is not an issue and is less a pollutant than oil and gas from all the boat engines. Issue permits to replace old permitted nonnavigable houseboats with new floating houses that have the same cumulative square footage as the old. Factory houseboats are detrimental --- hundreds of steel hulls are sunken. By keeping floating houses in marina harbors, there is less boat congestion. Floating houses are safer than factory houseboats for electrical. No one has been electrocuted by a floating house. Marinas were in place before shoreline residential property owners who complain. Put a value on 4B numbers. Allow exchange for tearing down old house boats and permit a like amount of new floating house square footage. If TVA pursues floating houses, there will be multiple lawsuits from people who sunk their retirement savings and investments.

LaFollette Commenter 2

A TVA representative gave me verbal permission at Indian River Dock to build floating houses and said anything built in the harbor was okay. Six houses have been given TN numbers. There is no discharge. This is too little too late to require disassembly.

LaFollette Commenter 3

I own a floating house at Flat Hollow. I called TVA 9 years ago to ask about registration and was told they weren't going to concern themselves with that and would leave it up to the counties. They should be regulated. There isn't much difference between floating houses and houseboats regarding greywater and other impacts. Don't make me tear mine down. We'll end up in court. Consider the economic impact on counties. If you get rid of floating houses, get rid of houseboats that never move. Most floating house owners spend \$6-10k every year before they open the door.

LaFollette Commenter 4

It is great TVA is doing something about the issues that have been brought up--- electrical, safety, mooring, the environment. But TVA does not have the ability to enforce anything. They can make rules but the only thing they can enforce is to the marinas. Responsibility to enforce has to come from marinas.

LaFollette Commenter 5

Floating houses have been allowed to proliferate without any measures taken by TVA to oversee the development of marinas and floating houses. Many people have spent millions, whether or not they were permitted. As a result, if enforcement actions are taken and regulations change, then arguably was a taking in violation of the constitution. I understand the need to regulate. Begin enforcing regulations. Grandfather the existing and prohibit manufacture. This time police it. Don't allow it to happen again. Water concerns can be addressed through appropriate regulations. Regulate grey water. Prohibit black water. Need inspections. Now I understand the concern with the ultimate fate and disposal long term. This is unfair for ratepayers to pay for cost of reclamation. Exact a fee from floating house owners --- yearly to establish a trust fund to use if needed for reclamation.

LaFollette Commenter 6

Do a one-time grandfather clause. Suggest a \$500 assessment to license the floating house, and post like a 4B number. Then charge \$200 per year from then on. Inspect electric and sewage.

LaFollette Commenter 7

Have general floating house and maintenance inspections every couple of years. Have mooring cables and additional anchoring in middle of mooring cables. To limit movement of floating houses would be good. Everyone I've talked to is more than happy to pay a reasonable registration fee. These moneys could help support the employees needed to implement this. A number system makes it easy to see what's inspected and what is compliant.

LaFollette Commenter 8

I put my life savings and planning on retirement in my 4B houseboat and I don't want to lose it. It is in good shape and has been maintained 15 years. It is 39 years old and still looks good. The guy next to me owes \$100k on his and would be a major hardship if lost. I agree the safety issues, hazardous issues need to be addressed.

LaFollette Commenter 9

Mussels on Norris were brought from Michigan. TVA, TWRA, TDEC need an initiative to take care of the problem. Infested by wakeboard boats.

LaFollette Commenter 10

On grey water require mandatory natural soaps. Need grease interceptors. For electrical need ground fault protection. Set up a program with volunteers and provide a barge with large trash cans that can move around and receive trash collections. If you find a piece of foam there is no place to take it and marinas frown on you if you bring it in. As for logs, I hear they can't be removed due to environmental rules or due to the turtles. Need to get some of the larger logs out of the river.

LaFollette Commenter 11

In 2006, we purchased two floating homes with the idea of starting our own vacation rental business. We had to use a commercial harbor to do that or own property that has dockage rights. Because we were in business, we wanted to follow the rules. Trying to get them licensed, TVA said, that's not our job, go to TWRA. We went to TWRA. They said, No, TVA is the controlling authority for the lake. So after running around in circles for about a month and a half, my wife and I just said, we'll just go to the courthouse and register it as a boat, which we did. We put TN numbers on the hulls. It's not a boat; it's a house. And I think that somebody needs to step up to the plate and say I've got the responsibility to take care of the floating house and the issues on the lake, and these are the rules that we're going to go by, and they're not going to be deviated from, just like the laws on the highway when you're driving a car. So not only do we have to have a set of rules to go by, but they have to be enforced. I don't see that happening now. The reason I don't see that happening now is I'm aware of at least three houses that are being built after the TVA said no more, and they are bigger or have a bigger footprint than the original 4B permitted back before 1978. These things are giants. Somebody has to be the authority to go and enforce the rules, make sure everybody is in compliance, and that everybody is going to be happy.

LaFollette Commenter 12

I agree 100 percent, the electrical is an issue that needs to be taken care of. My comment is that this should have been happening, what they're doing now should have happened a longtime ago. Back in 2006, when we bought our floating houses, we tried to find all the information we could on what the rules were, what we needed to do. Nobody could help us. We called the TVA; we called the TWRA. And, finally, somebody said, well, just put a TN number on it. So that's what we did. And we have two of them, because we were renting them out. Then we found out later that those didn't really mean anything. We needed 4B numbers, which weren't being given out anymore. So therefore, we could lose our houses if they wanted to take

Appendix A

them away from us. And when they do what they're doing, they have to enforce it. Anyone here is going to go around all of these rules if it's not enforced and kept up with. There should have been rules a long time ago, when these floating houses were being built, and there were no rules or regulations. They should have started enforcing them or making rules or stopping all of it, if they didn't want it. Now it's a little late to tell us, you've spent \$200,000 on two houses, now we're going to make you tear them down. I don't think that's really right.

LaFollette Commenter, 13

I suggest that the TWRA -- any out-of-state personal watercraft need to have some kind of a sticker. They need to pay TWRA in order to put their boat on Norris Lake. I don't see anything wrong with that. If you come from Ohio and you bring a boat from Ohio down here to Norris Lake, before you can put that boat in the water, you've got to have paid TWRA some fee, and they'll issue you a sticker. TWRA can make some money off of them, jet skis, boats, ski boats, whatever. Because there's probably more people from out of state that come on this lake than the locals. It's just a big vacation spot for a lot of different states around here, and I just feel like the TWRA is losing a lot of money by not getting some kind of fee off of them. The gray water issue, from what little bit I know about it, the lake is big enough, it moves enough that that shouldn't be an issue. If they think it's some kind of issue, they need to get out there and test the water. It's really no different if you have got a septic tank at home. That water goes into the ground at home and eventually, gets into the water system somewhere. I don't think they should take these boats off the lake, because it would be catastrophic to the economy in Campbell County and the surrounding counties. Why are they coming down on me, wanting to start making me pay some kind of extra fee? How did they allow all these other boats that sit out there, and I've been paying every year? I could have not paid, but I did. I have seen a lot of houseboats out there with stickers on the side of them out of date two or three years. But I paid mine. I felt like I'm supposed to pay it. I don't want to be penalized. I have been paying my part and doing what they asked. Don't come up on me now and say you want to make me take the boat off the lake. I just bought this new houseboat four years ago. They should already have had this worked out 35 years ago. Don't allow these boats to be built and say no they don't meet code, the standards, this and that. It's a little late now to be saying that. I can't believe that they didn't make these boats start paying earlier. If you have a floating house with a hull number, does it fall under the floating house regulations, or does it go back to the hull number -- is it exempt from these new floating house regulations? I had heard that for these electrical codes, TVA couldn't afford to send inspectors out to inspect every houseboat on Norris Lake to see if it meets the standard. Well, if that is such an issue, then let the houseboat owner pay for that inspection, a qualified inspector, so that would take the load off of TVA. Let the houseboat owner pay his own inspection

Appendix 4 Economic Statement

APPENDIX 4

www.tnvacation.com/press

FOR IMMEDIATE RELEASE

Cindy Dupree
 DATE: Aug. 18, 2015
Cindy.dupree@tn.gov

CONTACT:

**GOVERNOR BILL HASLAM AND TENNESSEE TOURISM
 ANNOUNCE RECORD-BREAKING ECONOMIC IMPACT NUMBERS**

Tourism Revenues in Campbell County Up 7.5%

NASHVILLE, Tenn. — Governor Bill Haslam and Commissioner Kevin Triplett, Tennessee Department of Tourist Development, today announced during a special event at the Ryman Auditorium that tourism's direct domestic and international travel expenditures reached \$17.7 billion in 2014, up 6.3 percent, and an all-time high for the state. Tourism-generated jobs for Tennesseans reached 152,900, an increase of 2.8 percent. State and local sales tax revenue for the industry topped \$1.5 billion, up 7 percent over 2013, and the ninth consecutive year tourism topped \$1 billion, according to the latest statistics from the 2014 Economic Impact of Travel on Tennessee as reported by U.S. Travel Association.

For the first time in history, travel to Tennessee topped 100 million, achieving 101.3 million person stays, a 5.1 percent increase over 2013. International travel increased 8.4 percent, reaching \$576.5 million in economic impact. All 95 counties in Tennessee had more than \$1 million in direct travel expenditures, 19 counties saw more than \$100 million, and three counties, Davidson, Shelby and Sevier, had more than \$1 billion in economic impact. Knox and Hamilton Counties round out the Top 5 with nearly \$1 billion in economic impact. Tennessee is ranked in the Top 10 destinations in the U.S. for total travel.

Tourists spent a total of \$54.24 million in Campbell County in 2014, an increase of 7.5% compared to 2013, generating a total of \$3.04 million in state and \$2.79 million in local tax revenues, increases of 8.4% and 7.7%, respectively. A total of 441 Campbell Countians are employed in tourism-related fields.

"This increase in tourism across the board is a result of the strategic work of Tourist Development, the Tourism Committee, and the entire tourism and hospitality industry," Haslam said. "We want Tennessee to be a place people from all over the world want to visit. The data shows that's happening, and more jobs and \$1.5 billion in sales tax revenue is good news for every Tennessean."

Tennessee's customer satisfaction landed at an impressive 8.5 out of 10. The satisfaction scores are greater than those of the average U.S. destination.

"Tourists are drawn to Tennessee for our world-renown music, outstanding attractions, stunning scenic beauty," Triplett said. "But, at the end of the day, people keep coming to Tennessee for our authenticity and exceptional, Southern hospitality. That is the 'made in Tennessee' brand delivered to our visitors every day by our communities and partners."

The Tennessee Tourism Committee, appointed in 2011 by Gov. Bill Haslam, is made up of tourism leaders in both the public and private sectors. TTC is chaired by Colin Reed, Ryman Hospitality Properties, Inc., and co-chaired by Jack Soden, Elvis Presley Enterprises, Inc. and Sande Weiss, president of Music Road Resort.

For more information contact Cindy Dupree, director of public relations for the Tennessee Department of Tourist Development, at 615-418-5752 or by email at Cindy.Dupree@tn.gov.

CAMPBELL COUNTY TRAVEL SNAPSHOT

Facts About a Leading Industry That's More Than Just Fun

BY THE NUMBERS

2014 Economic Impact of Tourism in Campbell County

- Generated **\$54.24 MILLION** in direct tourism expenditures
- Generated **440 jobs**
- Produced **\$9.19 MILLION** in payroll
- Created **\$2.79 MILLION** in local tax revenue
- Created **\$3.04 MILLION** in state tax revenue

PER HOUSEHOLD

As a result of taxes generated by tourist activity in the county:

- Each household pays **\$365.31** less in local and state taxes
- Each household pays **\$174.82** less in local county taxes
- Each household pays **\$190.48** less in state taxes

ON AN AVERAGE DAY

On An Average Day in 2014, Tourist Spending in Campbell County

- Generated **\$148,602** in daily expenditures
- Produced **\$25,178** in daily payroll
- Created **\$7,643** daily in local tax revenues
- Created **\$8,328** daily in state tax revenues

IN OTHER WORDS....

If it were not for state and local taxes generated by tourism...

- *Each Campbell Co. household would pay \$365.31 more in taxes*

Sources: 2013 Economic Impact of Travel on Tennessee Counties Report
www.visitcarter.com/industry; U.S. Census Bureau Quick Facts by County
<http://quickfacts.census.gov>

Appendix #

Appendix 5 Wilks Base Personal
Expenses

**Basic Yearly Costs of Floating Homes Based on Wilks
Expenditures at Shanghai Resort, LaFollette, TN**

Buoy Fees For Floating House	\$ 2,664.00
Dock Fees for Boat to reach Floating House	\$ 2,184.00
Electricity (averages \$100.00 per month)	\$ 1,200.00
Floating Home Insurance	\$ 1,295.00
Sanitation - Norris Lake Pumping	\$ 500.00
Water from Marina	\$ 168.00
Total	\$ 8,011.00

N.L.P.

**Your One Stop, Sanitation Stop
Pumping Contract**

Shanghai Resort

'2016 Clean Marina'

(Pumping Dates)

(First pumpout April 12th every other week October 11th last!!)

The cost of this contract will be \$500.00 for months listed above (total 14 pumpouts).

Contracts *must* be paid in full and postmarked by March 20th for discount after that date the cost will be \$530.00. NO Special circumstances for owner.

Service charge of \$20/boat for 13 pumpouts to waste water from marina pumpout dates.

This contract shall follow all the laws of the Tennessee and TWA for houseboat waste and the guidelines of TVA for this project.

The day of pumping under this contract will begin on Tuesday every other week there after. The owner of the houseboat must sign this contract and make advance payment to Norris Lake Pumping. As an additional service to you, Norris Lake Pumping will ensure that TVA receives documentation of the contract and proof of payment. This project and contract is good only this year 2016. All collection of pumping records from each houseboat will be sent to TVA for monitoring this project.

Signed this 15th day of March
Owner Michael + Pamela L. Wink
Check or M.O. # _____
Boat # (TN or 4B) EH B Line @ SHANGHAI
Boat Name _____
Boat Location Shang Hai Slip # _____
Customer phone (632) 667-5120

Norris Lake Pumping
525 Cove Pointe Road
La Follette, TN 37766
(423) 562-3594 office
(865) 617-6178 cell

Have a great summer!!!!
"PUMP IT, DON'T DUMP IT"
(Please return the complete contract)

Shanghai Resort

P O Box 1000
 LaFollette, TN 37766
 www.ShanghaiResort.com

Statement

DATE
 9/1/2016

BILL TO
 WILKS, PAMELA
 TIPP CITY, OH 45371

*pd 9/6/16
 CR# 3316*

		AMOUNT DUE	AMOUNT ENC.		
		\$5,176.00			
DATE	DESCRIPTION	AMOUNT	BALANCE		
06/26/2012	PMT #199954. Gift from Maggie Strong	-75.00	-75.00		
09/01/2015	INV #67809. Orig. Amount \$5,016.00. --- 10 X 30 SLIP YR \$2,184.00 --- BUOY PLUS YRLY \$2,664.00 --- BUOY WATER YR \$168.00 --- Tax: 9.25% SALES TAX @ 9.25% = 0.00	75.00	0.00		
07/01/2016	INV #71313. Orig. Amount \$160.00. --- BOAT STORAGE, 2 @ \$80.00 = 160.00 --- Tax: 9.25% SALES TAX @ 9.25% = 0.00	160.00	160.00		
08/01/2016	INV #71016. Orig. Amount \$2,832.00. --- BUOY PLUS YRLY \$2,664.00 --- BUOY WATER YR \$168.00 --- Tax: 9.25% SALES TAX @ 9.25% = 0.00	2,832.00	2,992.00		
09/01/2016	INV #71801. Orig. Amount \$2,184.00. --- 10 X 30 SLIP YR \$2,184.00 --- Tax: 9.25% SALES TAX @ 9.25% = 0.00	2,184.00	5,176.00		
CURRENT	1-30 DAYS PAST DUE	31-60 DAYS PAST DUE	61-90 DAYS PAST DUE	OVER 90 DAYS PAST DUE	AMOUNT DUE
2,184.00	0.00	2,992.00	0.00	0.00	\$5,176.00

#5016-

WE APPRECIATE YOUR BUSINESS. IN FAIRNESS TO ALL OUR CUSTOMERS, MONTHLY CHARGES ARE DUE THE 1ST OF THE MONTH. THERE IS A \$20 LATE FEE AFTER 10TH OF MONTH AND 18% ON OVERDUE BALANCE.

**** POLICY STATUS NOTICE ****
Your Authorized Agent: 1-423-562-3665

BARRY D ENLOW
C/O SECURITY INSURANCE AGENCY
PO BOX 609
LAFOLLETTE TN 37766



Date Prepared:	12/10/2015
Policy Type:	PROPERTY
Policy Number:	085 004 737 52 98
Agent Name:	BARRY D ENLOW

N 085 016040 0047375298 41 000
PAMELA WILKS
TIPP CITY OH 45371-2481

Important Policy Information	
Last Payment Amount:	\$647.50
Includes Service Charge:	
Includes Other Charges:	\$0.00
Pay in Full:	\$647.50

see above

Property Address: 1042 SHANGHAI ROAD LAFOLLETTE, TN 37766

Important Information for PAMELA WILKS

Thank you for your recent policy payment. You may choose to pay your policy in full now, to avoid service charges on future bills.

When you provide a check as payment, you authorize us either to use information from your check to make a one-time electronic funds transfer from your account or to process the payment as a check transaction.

Payments can be made by check or credit card at amg.com, by mail at the address listed on the reverse side or by calling our automated system at 1-800-543-2644

Please Detach This Coupon and Return With Your Payment

Policyholder:
PAMELA WILKS
TIPP CITY OH 45371-2481

Policy Number: 085 004 737 52 98

Payment Due Date:	
Minimum Amount Due (including charges)	\$0.00
OR	
Pay in Full:	\$647.50

Please indicate any address/phone number changes below:

Named Insured Mailing Address Risk Address

New Address: _____

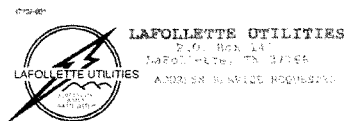
City: _____ State: _____ Zip Code: _____

Home Phone: (____) _____, Work Phone: (____) _____

E-Mail: _____

Please make checks payable to:
AMERICAN MODERN SELECT INSURANCE COMPANY
 Visa Mastercard American Express Discover
Card Number: _____
Exp. Date (MM/YY): _____
Amount to be Charged: \$ _____
Signature: _____

06500473752980 00000000 000647506 7726010000



LAFOLLETTE UTILITIES
 P.O. BOX 1411
 LAFOLLETTE, TN 37766
 ANDREWS SERVICE PROVIDED

CUSTOMER ACCOUNT NO.	██████████
AMOUNT DUE	82.64
DUE DATE	07-05-16
LATE CHARGES	0.00
AMOUNT DUE AFTER DUE DATE	82.64

000008264070520160000082640000477320016

003286
 AUTOMIXED AADC 260 3286 71114
 PAMELA & MICHAEL WILMS
 TIPP CITY OH 45371-2481

LAFOLLETTE UTILITIES
 P.O. BOX 1411
 LAFOLLETTE, TN 37766



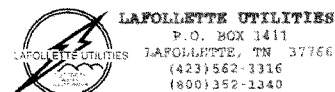
Please print your address on the back of this bill.

PAGE 1

NO FURTHER NOTICE WILL BE MADE

This bill is now due and payable. Service may be discontinued unless a further notice is received by 5:00 PM prior to due date.

ACCOUNT NUMBER	47732-001	BOOK NO.	21
WATER NUMBER	ELE-11814637, WTR-		
CUSTOMER NAME SERVICE ADDRESS	PAMELA & MICHAEL WILMS SHANGHAI DOCK		
WATER METERING DATE	R/P-05-08-16, WTR-		
BOOK/ACCOUNT NO. 1	148/594	DUE DATE	07-05-16



SERVICE	STARTING DATE	STARTING METER	STARTING METER	MULTIPLIER	RATE PER	AMOUNT
ELECTRIC (KWH)	05-09-14	61010	61670	1	660	82.64

PREVIOUS MONTH'S BILL	TAXES	ADJUSTMENTS	MINIMUM PAYMENT	OTHER CHARGES AND SERVICE	TOTAL CHARGES	AMOUNT DUE
72.75	0.00	0.00	0.00	0.00	82.64	82.64

BUDGET BILLING IF B DIFFERENCE	AMOUNT DUE AFTER DUE DATE
	82.64

PLEASE LOOK ON BACK OF BILL

COMPARE YOUR USAGE					
PERIOD	DAYS	KWH USED	DAILY AVG. KWH	WATER GALS. USED	DAILY AVG. GALS.
CURRENT	21	660	31		
LAST MONTH	29	605	21		
YEAR AGO	28	973	35		



CUSTOMER ACCOUNT NO.	██████████
AMOUNT DUE:	167.91
DUE DATE:	08-09-16
LATE CHARGES:	0.00
AMOUNT DUE AFTER DUE DATE:	167.91

00000167910809201600000167910000477320015

833116
 ***AUTO**MIXED AADC 280 2316 T11:14
 PAMELA & MICHAEL WILKS
 TRIP CITY OH 45371-2461

LAFOLLETTE UTILITIES
 P.O. BOX 1411
 LAFOLLETTE, TN 37766

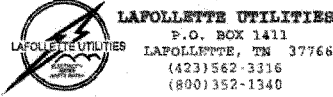


This bill is now due and payable. Service may be discontinued if not paid.

PAGE 1
 NO FURTHER NOTICE WILL BE MAILED

This bill is now due and payable. Service may be discontinued without further notice 8 weeks 3 days after next due date.

ACCOUNT NUMBER	47732-001	CIRCLE NO.	21
METER NUMBER	ELE-11814633, WTR-		
CUSTOMER NAME - SERVICE ADDRESS	PAMELA & MICHAEL WILKS SHANGHAI DOCK		
METER READING DATE	ELE-07-12-16, WTR-		
BOOK/SEQUENCE NO.	146/556	DUE DATE:	08-09-16



SERVICE	BILLING DATE	PREVIOUS USAGE	CURRENT USAGE	UNPAID FOR MONTHS DELINQUENT	AMOUNT PAID	AMOUNT DUE
ELECTRIC (KWH)	07-13-16	61470	63122	1	1452	167.91

PREVIOUS MONTH'S BILL	PAYMENTS	ADJUSTMENTS	DEBIT - FORWARD	OTHER DEBITS AND CREDITS	CHARGES PAID	AMOUNT DUE
82.64	83.64	0.00	0.00	0.00	167.91	167.91

BUDGET BILLING P-T-D DIFFERENCE	AMOUNT DUE AFTER DUE DATE
	167.91

PLEASE LOOK ON BACK OF BILL

COMPARE YOUR USAGE					
PERIOD	DATE	DAYS USED	DAILY RATE	PAID RATE	BILLS PAID
CURRENT	16	1452	42		
LAST MONTH	19	666	33		
YEAR AGO	23	1028	35		

Appendix 6 Summary of Comments TVA
Scoping Report

**Summary of Comments Received Following
TVA Presentations at Various Meetings**

Norris Marina Owners Association - April 8, 2014 - Whitman Hollow Marina

Summary:

- The old 4B houseboats are the problem and are not maintained properly. They don't meet current standards like the new floating houses we have built. The newer floating houses are better quality. TVA doesn't understand about these facilities. If you used one you would enjoy them like our customers.
- Put a value on the 4B numbers because many are unsanitary, derelict and have no value. Get rid of the 4Bs and swap out for new floating houses that meet new standards.
- The slide of the proposed floating residential subdivision is a concept/not real, and that operation went bankrupt.
- Norris is a mooring lake and there is little or very low percentage of residential use.
- The issues you are concerned with are common to commercial house boats as well. The floating houses have been a replacement for/ progression from factory houseboats. There are many factory houseboats still out there that will not meet current standards.
- The recent drownings on Cherokee etc... were caused by metal factory house boats with faulty electrical components ---- not floating houses. The marina facilities were not the cause.
- There are more problems with private boat docks not being maintained and becoming derelict than floating houses and 4B's.
- It is not our fault we're out of our harbor limits. My facilities have not been moved since I bought the marina (2000) and I was never told there was a compliance problem until later. We did not have the advantage of current technology and GPS accuracy. How do you know the harbor limits when trying to read an old small hand-drawn map. Are harbor limits established for all marinas? My marina is in the smallest harbor limit footprint to date based on previous aerial photos.
- The growth on Norris of shoreline residential homes has brought an attitude from property owners that the marinas are encroaching on their view and their water when the marinas were there first. Development pressure brings more use conflicts regarding shoreline and water.
- You are talking about management alternatives --- alternatives to what?
- Use the KISS principle. This issue has gotten out ahead of TVA, and a workable approach would be to grandfather the existing structures and set new requirements and standards for the ones that remain.
- I recommend that TVA comes out quickly to say the existing facilities/floating houses will be grandfathered. You won't be able to take the heat if you try to prohibit and remove them.
- If you are approved to rebuild a 4B on Norris, why can't a size increase be permitted?
- Hopefully TVA can find an approach that is fair across the system. Next meeting is May 11.

TVA has not enforced the rules you have now regarding sub-standard 4B's, and you have allowed more floating houses and nonnavigable structures to be built without approval.

May 7, 2014 Powell Valley Electric Cooperative**Summary:**

- Does TVA allow independent anchoring or require docking at slips with utility connections?
- Suggestion was made to allow permanent anchors underwater --- drilled in rock.
- Trees can be pulled down by wind when used for mooring which has happened in the past at Cedar Grove.
- What will TVA do in the interim until rules are modified?
- Something has to be done to address the issues and TVA is on the right track.
- Put more responsibility for regulation on the marinas --- they are making money from the customers and floating house owners. Some type of bond requirements or security assurance should be considered.

May 8, 2014 - TVA Gray, TN Office - Marina Owners: Upper Holston reservoirs**Summary:**

- GFI protection only at the main service line causes a service disruption at all other connections and you still won't know where the problem occurred.
- Would floating houses rented by a marina be within scope, and is revocation of permits and removal of structures in the scope of review? Office, restaurant and other similar structures are not in scope.
- Why does TVA make campers on TVA land move out of their site for two weeks but houseboats and floating houses never move. They should be treated like campers.
- Thanks for meeting with us in this setting. When I started at Laurel Marina my only business was 17 nonnavigable houseboats. Marina owners and their families have planned and made huge financial investments based on current rules and guidelines. If the rules and guidelines change we could be devastated.
- The demand to buy TVA nonnavigable houseboat (NNHB) numbers and to relocate is high and people want to sell their numbers.
- There is an inconsistent policy regarding size allowed for expansion of NNHB. Why did you change guidelines? This has a big impact on potential customers who want to invest a lot of money in rebuilding a NNHB instead of buying an expensive large commercial factory houseboat.
- What is the problem with these structures other than safety?
- TVA should require an extra fee (ex. \$400/yr.) for the privilege of having a NNHB or floating house. Use the revenue for management and inspection.
- The NEPA process will drive TVA to an extreme decision for environmental protection and prohibiting.
- TVA is liable for allowing these unpermitted unregulated structures to happen.
- There is federal legislation being considered that may allow houseboats and floating cabins (Cumberland River) if they meet criteria for a recreational vessel.
- Would TVA allow floating houses if they are put in a slip and moored on a walkway?
- If you have an approved harbor limit, why not allow living on a houseboat or floating house?
- The impact of TVA policy changes can have a large effect on the value of marinas and the ability to get loans. If a marina goes bankrupt, it impacts the value of many surrounding marinas.
- Consider the option of grandfathering the unpermitted structures, and address the most important safety issues and regulations.
- Limit mooring to commercial marina harbor limits and require a permit to move to a new marina. Establish safety guidelines.

- Most of the Upper Holston Reservoir NNHB's are moored close to the shoreline or they are on a walkway or pier. Recommend this be required for mooring the floating houses and NNHB's.
- Laurel Marina requires individual electric meters if the HB is not on a walkway/pier with electrical connections.
- How will TVA treat factory houseboats if they never move and are used for habitation?
- Work with the State Fire Marshall offices on electrical safety.
- The situation is out of hand and TVA needs safety guidelines.
- Keep the NNHB and floating houses (if permitted) in marina harbor limits.
- It is unfair to marina owners to allow floating houses at private shoreline property and lots.
- TVA is not comfortable with the NN structures and has to consider what is fair to the owner, and to the public/taxpayer. Why not charge 5% of the cost of a land use agreement and put that revenue toward management. Is the public subsidizing private use and views for HB and floating house owners that are not paying for the benefits?
- Marina owners know who the houseboat and floating house owners are, and can help manage the issues.
- TVA needs a way to enforce rules.
- A No Residential Use policy would hurt some marina operators. You can't really monitor and manage that issue anyway.
- Marinas can't get enough revenue from NNHB's.
- Let marinas continue to have NNHB's and floating houses, and make sure they have permits, and meet standards. Develop safety standards.
- Allow rebuilding of dilapidated NNHB's with numbers if there is space in the marina harbor.
- Grandfather the floating houses but allow no more.
- Don't allow private shoreline property owners to moor NNHB and floating houses at their lot and then rent them out.
- I disagree with TVA's policy that allows private docks. This takes away marina business.
- Why allow people to live on houseboats, but not in campgrounds on TVA public land? Campgrounds lose business when you make the campers leave. A lot of them will not come back.
- A private campground on South Holston has built boat slips that are supposed to be used only by campers with boats and not the general boating public. This has cost some marinas business. The campground can rent the slips for less money.

May 9, 2014 – LaFollette Utilities Board

Summary:

- Some marinas may be sub-metering and reselling electricity at a higher rate in violation of the TVA Act.
- LUB is trying to reduce the number of service poles by grouping multiple connections together.
- LUB has no problem with water supply being sub-metered.
- Has TVA looked at voltage limits on electric lines going in the water? The drop in voltage can be a problem for longer service lines.
- Consider storage of gasoline storage, containers, LP tanks, and natural gas supply (if provided) as part of the safety issues review.

May 13, 2014 – Norris Marina Owners Association at Sequoyah Marina**Summary:****Electrical Safety**

- Use field tile to protect wiring from rubbing and abrasion
- Check customer boats wiring to ensure proper ground. Do visual inspection --- contract out if necessary.
- Inspect cords and ensure the right type (marine grade) is used.
- Use leak testers
- Enforcement help; marina owners be able to board boats and have the right to inspect; Have a way to report customers who do not comply with safety requirements.
- Meet current electrical codes.
- Ground Fault Protection – require customers or marina, or both.
- Require certificate of insurance from subcontractors doing work on marina property.
- What is the extent of setting up [ground fault interrupter] GFI? Sequoyah Marina looked at re-working their GFI protection and the cost to do 3 service supply lines was \$15-20k. If you have GFI only at the main supply source, everything can trip but you still don't know where the problem is.

Waste Management

- Require pump out contracts
- Document with marina pump out receipts as a requirement
- Need vessel and [nonnavigable house boat] NNHB/floating house inspections of holding tanks, Y-valves. Issue a sticker or decal to document and then have TWRA, TVA or local government inspect and enforce.
- There are more problems with outside customers not marina renters.
- Use signage to show rules, and distribute handouts to educate boaters.

Mooring Practices

- For TVA land below 1040, permission or permits required for how you moor such as tying to trees in and out of harbor limits. Address through 26a permit process.
- Protect trees and respect others property. Anchor within harbor limits. Sometimes trees are the only alternative for tying up
- Consider dead man anchors and use buoys to mark anchor lines and cables.
- Bury and adjust anchors or cables.
- TVA needs to expedite 26a reviews and process requests quicker for anchoring modifications.

Harbor Limits

- Grandfather current physical harbor limits and reconcile with the permit. Most current marina owners have not moved their facilities but GPS capability has permitted greater accuracy than a hand drawn line on a map. **No Norris marinas meet the standards for Clean Marina designation because of being out of harbor limits.**
- Maintain floating houses within harbor limits.
- Adjust harbor limits if needed for floating houses (additional permitting)
- Establish list of rules followed by TVA and dock owners for floating houses within harbor limits.
- Don't interfere with waterways.

Water Quality

- Flootation (Styrofoam), grey water, trash/litter, and water supply to customers are issues to consider.
- Zebra Mussels are a future concern.

- Small water supply systems must follow state requirements
- UV systems certified for individual boats and floating houses
- [Tennessee Department of Environment and Conservation] TDEC doesn't like water lines under the water.
- Gray water is not an issue and is not practical to treat.
- Address litter and trash. Keep the water clean of cans and bottles etc...
- Signs to encourage protection of water quality

Other

- **TVA should recognize the positive economic benefit/impact that the marinas have. Without them, the only other thing we have is Meth. (Meth doesn't present much opportunity for sale of electricity).**
- Flat Hollow pumped 66,000 gallons of black water last year. Shanghai pumped 17,000 gallons of black water 14 years ago when TVA worked with them to do a pilot pump-out program.
- Can people stay in a floating house year-round?
- Some people do stay year-round on houseboats.
- There is some residential use.
- **Most all the issues TVA is concerned with also apply to houseboats and vessels with toilets.**
- President of GC Cincy (print and web graphics) of Cincinnati presented a framed poster of current aerials for all Norris marinas to the Sequoyah and Flat Hollow marina owners for their association work and support. He also offered TVA use of his current aerial photos that could be used to get a structure count. He further commented that based on discussion with floating house owners he knows, they would have no problem with paying an annual registration/inspection fee that could be used to manage and monitor.

Mr. MEADOWS. Thank you, Mr. Wilks.
Mr. Butler, you're recognized for 5 minutes.

STATEMENT OF MICHAEL A. BUTLER

Mr. BUTLER. Thank you, Mr. Chairman, Ranking Member Connolly, and members of the committee for allowing me to address this important issue. I've spent a large portion of my life on the reservoirs that TVA manages, traveling across the entire river valley, and spending a lot of time on most of the reservoirs out of the 49, witnessing firsthand the importance of the public resources and the values they bring to the entire State of Tennessee, where I live.

In my capacity as CEO of the Tennessee Wildlife Federation, I have sat across the table from TVA and challenged them hard on taking care of our public resources, but I've also sat on the same side of the table with them in helping them accomplish the same.

The issue of nonnavigable floating houses on public reservoirs is not new, as well spoken here by the other testimony. We find that in 1971, the first prohibition was placed on new, nonnavigable floating houses in the Federal Register. But what's remarkable to us is that out of the 1,836 floating homes on the reservoirs, 930 of them occurred after the second prohibition was placed on the construction and location of these on our public reservoirs.

Today we are here to review a new prohibition on floating houses once again. This new chapter builds on previous ones, apparently catalyzed by discussions of plans to insight entire new subdivisions of floating homes on our public reservoirs.

The public reservoir system in Tennessee is the backbone and attraction of a strong outdoor recreation economy, and their conservation is why we support the recently approved TVA board policy.

Public resources only have value inasmuch as they are available to the public. What makes this possible is rational use provided by law, and TVA manages these public resources under Section 26(a) of the TVA Act. As such, we believe these public resources should not be made—should not be impeded or made de facto private property by allowing permanent floating houses on public waters. Floating houses exclude the public from being able to utilize the water they occupy in particular, and can negatively impact public uses of the larger public reservoirs as a whole.

While some argue against this policy, saying that these structures help the local economy, which they do, the reality of the economic impacts of floating houses is much more dynamic than just that simple analysis. As stated in the 2016 EIS, floating houses may work to depress shoreline property values and negatively impact surface recreational opportunities. Add to this that floating houses are being used as rental properties, and this further exacerbates these negative impacts.

Generally speaking, our federation is not opposed to businesses operating on public waters or lands, as long as the activities or services being offered do not degrade the natural resources involved, and that they do not exclude other legitimate uses of these

public resources. In our opinion, floating houses do not pass either of these tests.

Waste, navigation, and electrical safety issues as stated are also well-identified concerns. I cite the recently completed EIS again, which says, "An increase in the number of floating homes is expected to exacerbate water pollution problems, adding to the cumulative wastewater loading to surface waters." Leaking of human and household waste into public reservoirs is a hazard to aquatic life and recreational users as well.

Who is responsible for this compliance? And if the new policy is removed, is this removal effectively an unfunded mandate to the Tennessee Department of Environment and Conservation to enforce these measures?

So while some will argue that wastewater and electrical safety can be regulated, the sheer fact that hundreds of these structures have been placed on our public reservoirs without permitting or oversight over a handful of decades in direct violation of Federal rules makes a clear statement that the rules and standards designed to protect the public's interest, and these resources are not being followed. What evidence do we have that this will change? If past history is a predictor of future performance, it won't.

Lastly, and of great importance to millions who love to fish our public reservoirs, we believe the presence of floating houses diminishes the experience of and deters use by anglers who seek to use these public waters and fisheries resources, especially when they are occupied. In Tennessee, these anglers have a constitutional right to hunt and fish. And with allowing de facto private ownership of these reservoirs, it is arguable that this is in direct conflict with these activities and arguably this right.

We believe that no citizen should have a presumption of ownership of public waters, especially when it comes at the expense of other citizens with equal claim to ownership and use. There are good reasons why we cannot build a home in a national park, and there are equally good reasons why these structures were prohibited and regulated starting in 1971.

I would like to close by noting that we believe this policy is squarely aligned with TVA's 26(a) authority. This is a tough issue, no doubt, but we find that TVA addressed it comprehensively and professionally, choosing a policy that protects the greatest public interest and our public reservoirs.

Thank you, Mr. Chairman and Ranking Member Connolly, for this opportunity.

[Prepared statement of Mr. Butler follows:]



STATEMENT OF

MICHAEL A. BUTLER
CHIEF EXECUTIVE OFFICER
TENNESSEE WILDLIFE FEDERATION
NASHVILLE, TENNESSEE

BEFORE THE
SUBCOMMITTEE ON GOVERNMENT OPERATIONS
COMMITTEE ON OVERSIGHT AND GOVERNMENT REFORM
U.S. HOUSE OF REPRESENTATIVES

CONCERNING
REVIEWING THE TENNESSEE VALLEY AUTHORITY'S
PROHIBITION ON HOUSEBOATS

PRESENTED
SEPTEMBER 23, 2016

Mr. Chairman, Ranking Member Connolly, and Members of the Committee: thank you for this opportunity to address this issue of great importance to many citizens of the Tennessee Valley. As a native Tennessean I have spent nearly every year of my life recreating at public reservoirs managed by the Tennessee Valley Authority (TVA). I have done this across the entirety of the Tennessee Valley, and have personally witnessed the importance and value of the public resources under the management of TVA. As the Chief Executive Officer of the Tennessee Wildlife Federation, I have sat across the table from TVA to challenge them to protect our public resources, and on the same side of the table working with them to accomplish the same.

The issue of nonnavigable floating houses on public reservoirs managed by the TVA has been ongoing for 45 years. The first policy establishing a prohibition against construction of new nonnavigable floating houses was published in the Federal Register on October 22, 1971. In 1978, in order to bring TVA regulations into compliance with the then recently passed federal Clean Water Act, TVA restated this prohibition and addressed water quality issues related to these structures. And again in 2003 the policy was restated saying that “No new nonnavigable houseboats shall be moored, anchored, or installed in any TVA reservoir.” What is remarkable is that of the 1,836 floating houses currently moored on public reservoirs managed by TVA, 930 of them were built and put on our public reservoirs after the second prohibition against these structures was put in place in 1978. The history of this issue is clearly an evolutionary one where some have chosen to ignore measures put in place to ensure that all citizens may enjoy these public reservoir resources, and that the health of those resources is maintained.

Today we are here to review TVA’s prohibition on floating houses. This new chapter builds upon previous ones, catalyzed apparently by discussions of potential plans to site entire subdivisions of floating homes on our public reservoirs. As a result TVA did what few federal agencies do, they

addressed a very difficult issue head on, considered all options, listened to stakeholders and made a decision that not only benefits the greatest public interest, but which also protects the public reservoir resources that are the backbone and attraction of a sustainable outdoor recreation economy. We support the TVA board approved policy which again restates the prohibition on new construction and location of nonnavigable floating houses on our public reservoirs and which sets a reasonable timetable for the removal of the existing structures after the passage of the next 30 years. Our reasons for supporting the TVA board policy are as follows.

Public resources only have value inasmuch as they are available to the public. What makes this possible is rational use provided by law. The reservoirs TVA manages under section 26a of the TVA Act are public reservoirs and, as such, we believe, should not be impeded or made de-facto private property by allowing citizens to own floating houses on public waters. The mooring of floating houses on TVA public reservoirs excludes the public from being able to utilize that water in particular, and can negatively impact public uses of the larger public reservoirs as a whole. Additionally, they can pose a significant and real health and safety concern when not installed or maintained properly.

While some will argue against this new policy saying that these structures help the local economy, the realities of the economic impacts appears to be more dynamic. TVA has stated in its recent Environmental Impact Statement on this issue, these nonnavigable floating houses may work to depress shoreline property values and negatively impact surface water recreational opportunities. Add to this that some individuals are utilizing floating houses as rental properties, and this further exacerbates the use of these public resources to benefit a few citizens. Generally speaking the Tennessee Wildlife Federation is not opposed to businesses operating on public waters or lands as long as (a) the activities or services being offered do not degrade the natural resources involved, and

(b) that the activities or services being offered do not exclude other legitimate uses of these public resources. In our opinion, nonnavigable floating houses fail both of these tests.

In addition to these points, waste issues are of concern. Who or what agency monitors compliance of these systems during their installation, operation and during their failure when this occurs? Is this effectively an unfunded federal mandate that the Tennessee Department of Environment and Conservation must enforce? Will the owner(s) be held financially liable when waste systems fail? If so, who will enforce this, and how will it be enforced, and how will the public be reimbursed for damage caused to the public waterways? To this point, TVA has recognized this concern stating in its recently completed Environmental Impact Statement (ES 5.2.1), "An increase in the number of FHs is expected to exacerbate water pollution problems, adding to the cumulative wastewater loading to surface waters". The leaking of human and household waste into public reservoirs is a public health hazard. This is a hazard not only to aquatic life but to recreational users as well.

The permanent mooring of nonnavigable floating houses has also been identified as a safety issue by TVA due to concerns of increased navigation congestion. This relates directly to the public's use of the reservoirs under TVA's care and the boaters and other watercraft that utilize them. Lastly, we echo the concerns raised regarding safety concerns surrounding electrical service to floating houses and the potential for electrocution.

While some may argue that wastewater and electrical safety can be adequately regulated, the sheer fact that hundreds of these structures were located on public reservoirs without any permitting or oversight, over a handful of decades, in direct violation of federal rules, is a clear statement that many of the people building these structures are not concerned with following the rules and regulations that govern them.

Lastly, and of great importance to millions of people who love to fish our public reservoirs, we believe the presence of floating houses deters use by anglers who seek to utilize the public waters and fisheries resources. In Tennessee, these anglers have a constitutional right to fish and allowing de-facto private ownership of public reservoirs is in direct conflict with these activities, and arguably this right.

It is for these reasons that we support the recently approved TVA board of directors' policy pertaining to nonnavigable floating houses. It is our belief that no citizen should have a presumption of ownership of public waters, especially at the expense of other citizens who have an equal claim of use. There are good reasons as to why you or I cannot go into a national park and build a home, and there are equally good reasons that these structures were originally prohibited and regulated starting in 1971. We feel that the new policy is squarely aligned with TVA's authority and duty under section 26a of the TVA Act.

I would like to close by noting that this policy is also supported by TVA's Regional Resources Stewardship Council, a federal advisory committee comprised of 19 members representing private and public citizens from each state of the Tennessee River Valley. Their charge is "to provide TVA advice on its stewardship activities and the priorities among competing objectives and values." We find their support validating, given the diversity of interests that sit on the council and the fact that they support this policy. Thank you Mr. Chairman and Ranking Member Connolly for this opportunity to address the committee. It is greatly appreciated.

Mr. MEADOWS. Thank you, Mr. Butler, for your testimony. And I would be remiss if I didn't recognize your daughter, who is here out of school for a civics lesson, so I want to recognize her.

Mr. BUTLER. Yes, sir.

Mr. MEADOWS. And we'll give you that letter that you requested so that it's an excused absence.

Mr. BUTLER. Thank you, Mr. Chairman.

Mr. MEADOWS. The chair recognizes the vice chair of the subcommittee, the gentleman from Michigan, Mr. Walberg.

Mr. WALBERG. Thank you, Mr. Chair. And I assume you'll also give a selfie opportunity with the young lady to make sure that it's accurate.

I appreciate the panel being here today. I must admit, as a—when I left high school and majored in forestry and land management, I didn't end up in that field, but I love the outdoors, love stewardship of our resources, but I also—I also, as a patriotic citizen, understand that this country is ours, including the waterways. And too often, we get a mind-set that appears that government will control that, it's government lands that we give, at times, back to the use of people. I don't like that idea at all.

I live in the beautiful Irish Hills area of Michigan, beautiful waterways, lakes, and we have some houseboats on some of those lakes. We also have residences that surround these lakes that go right up to the water in times. We found ways the deal with it. We found ways of taking septic systems out, putting grinder pumps, pumping up to municipal sewage systems, dealing at times with taking out wells and putting in public water, but we tried to keep people on the lakes and using the lakes as well.

We have a public entity here with the TVA. And, Mr. Johnson, I appreciate the fact that you want to carry out regulation appropriately, but the TVA has a staggering amount of debt, which is a Federal Government corporation and connected to the Federal deficit as well. Taking this into account, wouldn't you consider compensation packages worth millions of dollars for TVA executives excessive? We're talking about the fact top executives at TVA being paid nearly 15 times as much as the salary for President Obama and nearly 30 times the salary of the U.S. Secretary of Energy. Is it really necessary?

In context now, talking about controlling water resources that, as Mr. Monteith explained, took away a lot of land, a lot of resources, a lot of buildings and structures from people. And while providing a service, certainly, yet the excessive costs here, and we're talking about concerns about people living on houseboats. So let me ask that question again.

Mr. JOHNSON. Sure. Well, actually the compensation of people at TVA is specified in a Federal statute. It's in the TVA Act, measures how it is to be constructed, and it was a recognition in 2005 that TVA is actually the largest utility in this country, I think. We operate seven nuclear plants. It is like running a large IOU. And if you need to get the talent and skills of people to do that, you need to pay them. And we make about half or less of peers in private industry. So compared to other government employees, we are better paid; compared to industry, we are not.

Mr. WALBERG. Well, you're not private industry.

Mr. JOHNSON. Right.

Mr. WALBERG. You're government employees. And here we're talking about families, families that have put up a houseboat for a purpose in life that really comes with the reality of life, liberty, and prosperity—or happiness, as it was put. And we have regulatory agencies that continue to expand while being in huge debt. And we're concerned about this particular issue, and not finding a way to address the values and lifestyles of these people.

Let me go to Ms. Sneed. In your testimony, you recount how you followed the rules, you paid thousands of dollars in fees, you received Section 26(a) permit from TVA. How'd you feel when the board announced its policy to remove all floating homes from the TVA reservoirs within 20 years, and now 30 years?

Ms. SNEED. Well, when I received my postcard in the mail, I was kind of going through my mail, and I read it, and I was just—just taken aback. And I was shocked, because, I mean, we were—we did it—you know, we did it right. These houses—our houses have been there probably since the 1950s, and the fact that they're taking those away too, and just taking them all away, it's just—it's devastating for us, and then getting to know everyone else, you know, the people that aren't grandfathered. It's hurting a lot of people. And at first, I didn't even know what to do, and so it took us, like, a month and a half to get going, but—you know, that we needed to fight this, but I just—it was devastating. And, I mean, we've—Fontana is kind of a cash, you know, lake, so our house values are not as high as others. So we put a lot of money in our—from our savings account into these houses, you know, to replace the black floats and, you know, to make our sinks pump into a septic tank and, you know, to make them, you know, more environmentally friendly and safe for our children, because there was a beaver that lived under our house and ate our floor. And so to, you know, basically lose a lot of money from your savings account and everything, it just—it was—it was devastating.

Mr. WALBERG. And future plans as well.

Ms. SNEED. Well, yeah. I mean, I wanted my kids to be able to swim on the lake. You know, North Carolina is very different than Minnesota. You can't just buy a cheap cabin and, you know, bring your family up and just walk down to the lake. And, you know, we looked at properties, but it's really expensive. It's very limited on Fontana. Most of the land is either Forest Service or national park. There are some private opportunities, but they're very expensive compared to, you know, buying land in Swain County normally, you might be able to buy, what, an acre for \$10,000. A quarter, half acre is \$500,000 on the lake, so it's not proportionate to what the people make in the area and it's—so, I mean, the floating homes allow normal people to actually use the lake.

Mr. WALBERG. Okay. Mr. Wilks—

Mr. WILKS. Yes, sir.

Mr. WALBERG. —you argue that floating homes do not represent an unacceptable taking of public waters for private use. Could you explain that further?

Mr. WILKS. The marinas are—pay a lease fee to the TVA. Contrary to their accusation, or their assumptions out there that—there's over 98 percent of these floating homes or these structures

are within marina confines. They've already leased an area to a private entity, to a private marina.

Mr. WALBERG. Define "marina confines" for me, if you would. What's that look like?

Mr. WILKS. They're within a harbor or set harbor limits by the TVA.

Mr. WALBERG. And that's already leased to the owners of the marina?

Mr. WILKS. Yes, it is, sir.

Mr. WALBERG. So the marina really decided what they want to do with their space, correct?

Mr. WILKS. Correct.

Mr. WALBERG. And they've given that to floating homes—

Mr. WILKS. They've given—

Mr. WALBERG. —houseboats.

Mr. WILKS. —some of that area to floating homes, some of it to their own docks for, you know, private slips for—

Mr. WALBERG. Fishing purposes.

Mr. WILKS. For fishing purposes, for, you know, storage of boats, for storage of production houseboats. You know, they're docked all along—or within those harbors.

Mr. WALBERG. And so that's, you said, 90 percent—

Mr. WILKS. Yes.

Mr. WALBERG. —generally speaking.

Mr. WILKS. Yes. Actually by TVA estimates, it was 98 percent.

Mr. WALBERG. Of all—

Mr. WILKS. Roughly—

Mr. WALBERG. 98 percent of leased property—98 percent of the houseboats are on already leased property.

Mr. WILKS. Yes.

Mr. WALBERG. That isn't taking away anything that wasn't given by TVA already.

Mr. WILKS. Correct.

Mr. WALBERG. Okay. Well, Mr. Chairman, I appreciate this hearing. This is illuminating for me to some degree, but I appreciate your efforts to move forward on this and try to find a suitable answer to make sure that resources are cared, we want that, but also that personal choices and personal liberty and the opportunity for doing something with your lifestyle on remaining lands that aren't controlled somehow, some way, by the Federal Government, that seems to be getting more and more, that we're given these opportunities. So thank you.

Mr. MEADOWS. I thank the gentleman.

The chair recognizes the ranking member, Mr. Connolly.

Mr. CONNOLLY. I thank my friend, the chairman, and I thank him for this hearing.

I must take issue with Mr. Walberg. I mean, unlimited, quote, "personal liberty," you want to see where that can lead, let's look at the Detroit River that poisoned the people of Flint, Michigan. There is a role for Federal Government, there is a role for government regulation. It protects people. And I cannot abide the assertion of a philosophy that virtually leads to unlimited pollution of waterways.

Mr. WALBERG. Would the gentleman yield?

Mr. CONNOLLY. Briefly.

Mr. WALBERG. Briefly. I'm not asking—

Mr. CONNOLLY. Only because I have 5 minutes. I'm sorry. I didn't mean that to be rude.

Mr. WALBERG. I'm not asking—I'm not asking for unlimited—

Mr. CONNOLLY. Okay.

Mr. WALBERG. —at all, but I'm asking for some type of reasonable care for that personal liberty that we all believe in. And I don't see this here, and especially when I see an entity that is so huge in debt.

Mr. CONNOLLY. All right.

Mr. WALBERG. Thank you.

Mr. CONNOLLY. Reclaiming my time, I say to my friend, I agree with that. In fact, I said that in my opening statement. I think is a matter—we have to strike a balance here between that and the need to protect public waterways or semipublic waterways, but I think we have to be careful in how we express that, because, at least on our side of the aisle, we get off—I mean, and the people you're trying to protect, if we frame it in such stark terms, I think we lose support we otherwise might get, because, certainly, this member with a strong environmental record is not unsympathetic to the plight, nonetheless, of the individuals who are affected here, who thought they were making decisions that would be protected or not challenged, and I'm totally sympathetic with that plight. So anyway.

Ms. SNEED, I want to make sure I understand your testimony. How long have you lived on this floating house?

Ms. SNEED. We bought the first house in 2014, and then the second house we bought in 2015. So the first house, we actually bought from a family that their real house burned down, and they used it as an asset.

Mr. CONNOLLY. All right. So you're relatively new?

Ms. SNEED. We are.

Mr. CONNOLLY. And where did you come from?

Ms. SNEED. I'm from—

Mr. CONNOLLY. Oh. You said Minnesota.

Ms. SNEED. From Minnesota. I met my husband working on a project. He's from—he's from Cherokee, North Carolina, and—

Mr. CONNOLLY. Okay.

Ms. SNEED. —married and moved down here.

Mr. CONNOLLY. All right. Now, do you have a permit?

Ms. SNEED. We do. We have two.

Mr. CONNOLLY. You do. Okay. Would you agree that anyone who's on the lake, or the reservoir, ought to have a permit, because that's what's required by law?

Ms. SNEED. We do. And so in North Carolina, the houses that don't have TVA permits are registered as North Carolina boats, and a lot of them have steering wheels and they can actually drive them around. So in our first spot, the previous neighbor actually would take theirs out and drive the lake like a houseboat.

Mr. CONNOLLY. So I understand, but I'm trying to get at sort of—I was in local government, like Mr. Monteith. 14 years I did rezonings, a lot more than you probably have done in a lifetime, because it's Fairfax County, right? So I did thousands of re-zonings.

And it is not up for opinion whether the government has a right to insist on permitting and licensing and certain regulations with respect to lot size and what you can build and if you can build and sewer lines and all that stuff. I mean, that's what we did for a living to protect the public.

Ms. SNEED. Right.

Mr. CONNOLLY. Now, sometimes opinions can clash about how far government goes? And do you really need to be doing that? And I found myself on both sides of that as a local elected official. Sometimes I saw government at its worse, and sometimes, thank God, I saw it at its best. And all I'm trying to get at here is you certainly—because I don't want to misconstrue your testimony. You agree that it is within the purview of TVA to issue permits, that you—if you're going to have a floating house, you've got to have a permit?

Ms. SNEED. Yes. That is correct.

Mr. CONNOLLY. Okay. And you heard Mr. Johnson's testimony that unfortunately when they grandfathered it in, even those that previously before you got onto the reservoir, that were without a permit, they finally decided, let's make them all legal and we'll grant 900-and-something permits and start over so that nobody's illegal. That's our solution. In the past, that's what they did. You heard that?

Ms. SNEED. Yes.

Mr. CONNOLLY. And what happened?

Ms. SNEED. People continued to build, because it was not regulated.

Mr. CONNOLLY. That's right.

Ms. SNEED. But other people—

Mr. CONNOLLY. Well, it was technically regulated, but they didn't enforce it.

Ms. SNEED. Correct.

Mr. CONNOLLY. Yeah. So we went from 900 to 1,800, which would suggest that half the homes, floating homes were or are illegal, that is to say, without a permit. Is that correct, Mr. Johnson?

Mr. JOHNSON. That is, in fact, correct, yes.

Mr. CONNOLLY. Okay. So a lot of your neighbors are there illegally.

Ms. SNEED. Sort of, because they have—they're registered as boats on our lake.

Mr. CONNOLLY. So there's a sort of getting around the permit requirement.

Ms. SNEED. I mean, they can drive them around as boats, so, we chose to get permits.

Mr. CONNOLLY. Right.

Ms. SNEED. Other people—

Mr. CONNOLLY. But you—at least you know—

Ms. SNEED. Yes.

Mr. CONNOLLY. —TVA, that is the governing authority here under law—

Ms. SNEED. Uh-huh.

Mr. CONNOLLY. —considers them illegal, right?

Ms. SNEED. We just went out of our way to make sure that—

Mr. CONNOLLY. No. I know. You're clean with the Lord. Good, good. All right. But I think you would agree as a citizen, right, we can't have people exercising illegal options, right? We all want to be within the law.

Ms. SNEED. Uh-huh.

Mr. CONNOLLY. Okay. And within the law is our protection. It's your protection. You're legal. I can't do anything.

Ms. SNEED. But they are taking us off.

Mr. CONNOLLY. Hold that in abeyance. I'm talking about day-to-day stuff. Whereas, if I operate outside the law, not only am I at risk, but so is the public, because I may be leaking or violating other things that you have gone to great trouble not to do. You got—from what I understand from your testimony, you have gone to great extent and expense to make sure that you are an environmentally-sensitive floating home. So you're not polluting the waterway you are situated in. Is that correct?

Ms. SNEED. Yes.

Mr. CONNOLLY. Would that be a fair—okay.

So, now, Mr. Butler. Going to balance, I know you conceded that this is a tough decision, but can't we find some middle path between "you're out of here in 30 years" which instantly has an impact on not only psychology, but on home values and protecting a natural resource, which I agree with you, has to be protected and it's the responsibility of TVA. And we heard from Mr. Wilks. Part of the problem here is the inconsistency of TVA's enforcement and that is as bad as a bad law.

If it is on the books and it's the law, it needs to be enforced consistently so that everybody understands. The expectations are uniform across the board. And TVA hasn't done that, according to Mr. Wilks, and no one has gainsaid that testimony. And I think that's a very fundamental problem. Because, Mr. Johnson, one of the problems here is, once you're gone, will your successor enforce this or care? Are we once again going to be up in the air about what's expected, wink, blink and what is the law and all that?

So all right, Mr. Butler, my time is up, but I would like you to at least help address the balance because I didn't hear a lot of sympathy in your testimony. I mean, I heard passionate advocacy for the environment, which I share. But there are human beings who are going to be affected here, most of whom, through no fault of their own, find themselves caught in this conundrum. And they may not want to leave. They may not—they certainly don't want that cloud hanging over their heads of uncertainty. And can't there be a middle way that allows us to have an environmental solution while still allowing people to stay in their homes, and exercise the personal liberty Mr. Walberg talked about?

Mr. BUTLER. Well, we are certainly empathetic to the plight of the folks that have invested their hard-earned dollars into those structures. We would look at this in a couple of different ways. One is, we find it remarkable that there would be a presumption of permanent residency on public resources. In other words, we understand that TVA didn't follow up on their '78 policy and enforce it, per your points. But we also think the citizens have a responsibility to make sure that they are registered. When I buy a car, I have a responsibility to go get it registered.

Mr. CONNOLLY. We have established that, and Ms. Sneed doesn't take any issue with that. She agrees. She has done that.

Mr. BUTLER. But the problem is, Mr. Connolly, is that half of these facilities ignored that and took no responsibility. And if that is the historical context, we are concerned that the future context could be similar. Now, having said that, we responded in our testimony and in our response to TVA in their EIS process, the NEPA process, around the alternatives that they gave. There are other potential alternatives that could be based around ownership of the bottom of the reservoirs, in our opinion. Potentially, you could look at areas where flowage easements were purchased. They are private property rights arguably owned by individuals where TVA has the right to flood, but they don't own the surface or subsurface right under the water.

If you anchor to that, then there might be an argument made that that could be a different situation, versus if there are public lands underneath those waters that were taken in any other manner. And I think you could find some potential alternatives there, although we have not examined those, and we have not discussed those with TVA.

Mr. CONNOLLY. Well, I'm glad you clarified that because when you started talking about the solution being at the bottom of a reservoir, I got really nervous for Ms. Sneed and everybody else.

All right. Thank you, and I hope your daughter got a bit of a taste of the wondrous democracy we have and being able to express our opinions and not worry about it. Mr. Chairman, over to you. Thank you.

Mr. MEADOWS. I thank the ranking member. Commissioner Monteith, did you want to comment? I saw you—you looked like you wanted to jump in on that before I start my series of questions. I will recognize myself for asking questions, but I'll let you comment if you wanted to do so.

Mr. MONTEITH. TVA, they determined, first of all, how many houseboats can be put in a harbor. You can't just go down and throw in 10,000 in a harbor. They tell TVA, they tell the dock owners how many they can put, and that's all they can put. Okay. Also, the TVA law on houseboats, you know, they're navigable, these are navigable laws are NC navigable laws that they told you. You've got TVA numbers and you've got NC numbers. Those NC numbers that Ms. Sneed talked about, they have a motor on it, it can view 180 degrees. You can see it. It can be moved around because, that's the way North Carolina law requires it. The other ones at TVA don't. They stay put, solid. But, again, how many is in a harbor is what it is. And TVA determines what goes on that lake. And we abide by that, not only with the harbor, but cleaning the lake up and keeping it clean to where it is clean on that lake. I mean—

Mr. MEADOWS. All right.

Mr. CONNOLLY. Mr. Chairman.

Mr. MEADOWS. Go ahead. Sure. Go ahead.

Mr. CONNOLLY. Just following up on what.

Mr. MEADOWS. I'll yield to you.

Mr. CONNOLLY. Well, because we didn't give Mr. Monteith an opportunity because I think it was pretty dramatic when you said you brought the pollution levels down—

Mr. MONTEITH. Yes, sir.

Mr. CONNOLLY. —from 1,400 to 35.

Mr. MONTEITH. Yes, sir. Exactly right.

Mr. CONNOLLY. And if the chairman is—I think we would love to hear a little bit, how did you do that?

Mr. MONTEITH. We have done it because we got grants from TVA, \$90,000. We got in grants from Western Carolina University at \$20,000. We got grants from DENR of \$340,000; grants from RC&D, State again, of \$345,000. We got these grants together. We took that money and we bought Fontana Lake Waste Recovery, because there was no ordinance enforcing the lake. We wrote the ordinance so it could be enforced. Okay? We took the grant money and we bought each boat dock a pump-out boat. We built each boat dock a floating platform that would hold 1,000 gallons of waste. They could take their dock, go in, pump out her houseboat and take it over and put it into the holding tank, and then the State—or not the State, but the county would come by on the banks and pick it up and haul it out, just like a sewage on Bryson—in the county. That's what we done to make the lake clean. That's why.

And not only that, but as I said, TVA sent me to other States to present what we done so they can do the same thing, and these other seven States are doing the same thing. We don't have private land to where they are running sewer lines and water lines and power lines under the lake. That's not on Fontana Lake. It's Federal on one side, Forest Service, TVA and you are in a harbor and limited to how many you can put in that harbor and they mandate that to us. Okay. Did that clear that up?

Mr. CONNOLLY. It does. Thank you.

Mr. MONTEITH. Good deal.

Mr. MEADOWS. So thank you.

Mr. Butler, let me come to you, because you said you have traveled on most of the 49 reservoirs. So you have enjoyed it. You fished—I assumed you fished. Your testimony was that you have enjoyed the reservoirs. Is that correct?

Mr. BUTLER. Yes, sir.

Mr. MEADOWS. All right. So in doing that and enjoying those, when was the last time you were on Fontana?

Mr. BUTLER. It would have had to have been probably in the late 1990s.

Mr. MEADOWS. All right. So you haven't been there for over 20 years?

Mr. BUTLER. Around there. Maybe a little less.

Mr. MEADOWS. But so you just prefer not to come to North Carolina. That's okay. You're from Tennessee. I got that. So you're enjoying the reservoirs in Tennessee?

Mr. BUTLER. Primarily, yes, sir.

Mr. CONNOLLY. I say to both of you, Virginia is gorgeous.

Mr. MEADOWS. Yeah. You ought to see Michigan. I can hear it. We can see where this is going. So Mr. Butler, if you have been enjoying it, and so at this point, you would say that recreation on TVA reservoirs is pretty good. Right?

Mr. BUTLER. I think it is. I think we have some challenges.

Mr. MEADOWS. So let me ask you. Let me cut you off. I have only got limited time. If it's good, how has the 1,826 floating homes af-

fecting your enjoyment, your private enjoyment? Because your testimony, your sworn testimony is you've enjoyed it.

Mr. BUTLER. Sure.

Mr. MEADOWS. And I want to know how these 1,826 floating homes has affected your private enjoyment, Mr. Butler.

Mr. BUTLER. Well, they haven't, but I'm not here—

Mr. MEADOWS. Oh, okay. So they haven't. So then your concern is not with the 1,826 boats that we have there, or floating homes that we have there. It would be if we increased it. Is that correct?

Mr. BUTLER. My concern is with the people I represent, with the Wildlife Federation.

Mr. MEADOWS. Oh, okay. All right.

Mr. BUTLER. And their use of the reservoir.

Mr. MEADOWS. So it is not really about private enjoyment as much as it is your official capacity?

Mr. BUTLER. Their private enjoyment.

Mr. MEADOWS. Oh. So you are saying you can enjoy it, but they can't.

Mr. BUTLER. No. I'm saying that the private enjoyment of those people that I represent, like the Tennessee Striped Bass Association that recreates primarily on Norris Reservoir.

Mr. MEADOWS. All right. I'm a fisherman. I'm an angler. Do you know where I catch most of the fish? Under docks and under floating homes. Wouldn't you agree with that? You know, you are a wildlife guy.

Mr. BUTLER. That's why in my testimony, I particularly stated the impact of when they are occupied, because when they are occupied, people don't like—

Mr. MEADOWS. Oh, you scare the fish away when they are occupied?

Mr. BUTLER. No. They don't like—they don't like getting in the personal space of the people that are on the docks.

Mr. MEADOWS. Mr. Butler, this is sworn testimony, so I—how many fish have you talked to?

Mr. BUTLER. Zero, sir.

Mr. MEADOWS. Okay. So let me make a point. This is sworn testimony, and here's what I'm asking you to do.

Mr. BUTLER. Sure.

Mr. MEADOWS. Let's identify the barriers to fixing this problem, and let's dispense with the pontification of what may or may not happen in the future. I'm willing—in fact, Mr. Johnson, wouldn't you agree that I spoke to you and your chief of staff on numerous occasions? You once, your chief of staff on numerous occasions.

Mr. JOHNSON. That's more than accurate.

Mr. MEADOWS. Okay. All right.

Mr. JOHNSON. We've heard a lot from you.

Mr. MEADOWS. You've heard a lot from me. Did I not tell you that I was willing to put in some reasonable restrictions in permitting and actually find a process? In fact, I said we ought to use Mr. Monteith's model and make that a requirement for all of the reservoirs in terms of working that over; that I wanted to find some common ground. Did I not tell you that?

Mr. JOHNSON. Absolutely you did.

Mr. MEADOWS. All right. So if we're looking, and Mr. Butler's private enjoyment hasn't been affected to date. In fact, I guess, Mr. Butler, since you're saying this is a private taking—is that what you're saying? That was what your sworn testimony was, this was a private taking? I heard that.

Mr. BUTLER. I don't know if I used that exact word, but it's possible. Yes, we would say this is a private exclusion of other public uses.

Mr. MEADOWS. All right. So would a marina be a private of other public use?

Mr. BUTLER. If it goes through the processes that TVA——

Mr. MEADOWS. Would a dock, would a dock be? Because it is. You know, here is the thing is, we are talking about floating homes, and your testimony would be inconsistent if that was the premise of what you are talking about because all of those would be private takings of a public entity. Would they not? So you're saying get rid of everything on the lake?

Mr. BUTLER. No, sir, we're not.

Mr. MEADOWS. Well, then, why make the decision——

Mr. BUTLER. Because these are being established as residences——

Mr. MEADOWS. Oh, okay.

Mr. BUTLER. —versus day-use boats that are typically for——

Mr. MEADOWS. So how many people live there 365 days a year?

Mr. BUTLER. I have no idea.

Mr. MEADOWS. Okay. I can tell you, because I don't normally ask questions that I don't know the answers for, and the answer is zero. So it's not a residence. So are you saying that we need to get rid of docks and marinas too? Is that your testimony?

Mr. BUTLER. I definitely would believe that we need to be smart about locating docks and marinas so they don't impede upon these values that I mentioned in testimony.

Mr. MEADOWS. What values is that?

Mr. BUTLER. Access, navigation.

Mr. MEADOWS. All right. But we haven't heard any—Mr. Johnson, in fact, I think in his testimony, has said that there is not an access problem or a navigation problem. Isn't that correct, Mr. Johnson?

Mr. JOHNSON. I don't believe I said that.

Mr. MEADOWS. Well, you have public statements to that effect. So is there a navigation problem?

Mr. JOHNSON. Yes. There are, at some of these marinas, navigation problems.

Mr. MEADOWS. All right. So let me ask you this: I want to go here because is it harder to move around a floating home that is stationary than a bass boat that is going 40 miles an hour?

Mr. JOHNSON. I was not a physics student, but harder to move a houseboat. They are moored.

Mr. MEADOWS. Is it easier to avoid a houseboat that is stationary than a moving boat that's going 40 miles an hour?

Mr. JOHNSON. Typically, yes, but——

Mr. MEADOWS. Typically yes, what? It's easier to go around a floating home.

Mr. JOHNSON. Yes, it's easier to avoid a standing object than a moving object. Yes, but the anchorages of some of these do pose navigation problems. I have some pictures here if you would like to see.

Mr. MEADOWS. When was the last time you were on Fontana?

Mr. JOHNSON. Within the last 6 weeks.

Mr. MEADOWS. Okay. And so do you see any anchorage problems on Fontana?

Mr. JOHNSON. I would say Fontana is probably the best in terms of quality, environmental safety, anchorage. I think that's—

Mr. MEADOWS. So why would the board not take what we are doing in Fontana and make it applicable for the other 49 reservoirs as a good example of good regulation, like my good friend from Virginia is talking about. Why would you not do that?

Mr. JOHNSON. Well, I think that is part of the plan to do that, which is to—

Mr. MEADOWS. You mean, in the next 30 years—

Mr. JOHNSON. That's right.

Mr. MEADOWS. —until we get rid of them?

Mr. JOHNSON. There are two points here. Yes, we need to improve our enforcement of standards, set standards, health, environmental standards. The reason I got interested in this a couple of years ago is we had people in one of the reservoirs get so sick from swimming in sewage that they had to go to the hospital.

Mr. MEADOWS. Was that in Fontana?

Mr. JOHNSON. Wasn't Fontana.

Mr. MEADOWS. Didn't I request that we just exempt some of the ones where you are not having problems? Didn't I tell you that? Why don't we just exempt it if we are not having a problem?

Mr. JOHNSON. My second point, which I actually do believe a permanent right to be there, if we have no sunset ability, we have created a permanent property right in public resources and I'm not the only one who thinks this. Federal District Court in Western North Carolina, the Honorable Woodrow Jones, said even a single houseboat moored to Federal land interferes with the government ownership rights.

Mr. MEADOWS. So are you saying this is Federal land? Is that your testimony?

Mr. JOHNSON. Sure, it is.

Mr. MEADOWS. So what part of water is Federal land?

Mr. JOHNSON. Well, the land under—

Mr. MEADOWS. I only know of one person who walked on water.

Mr. JOHNSON. The land under it, certainly.

Mr. MEADOWS. Is it land or is it water?

Mr. JOHNSON. The land is Federal land. The water is entrusted to the care of TVA under the TVA Act and, of course, public owns the right.

Mr. MEADOWS. So what role does the EPA have in cleanliness?

Mr. JOHNSON. I'm not sure.

Mr. MEADOWS. Do they have any role on TVA waters?

Mr. JOHNSON. I think the water quality is a matter of State law and State enforcement, I believe.

Mr. MEADOWS. Well, State and Federal. Okay. Okay, so, when you look at that, are they monitoring the cleanliness of the lake?

Mr. JOHNSON. I think everybody who draws water out of any lake or any river monitors it routinely, yes.

Mr. MEADOWS. All right. And so is this environmental problem on Fontana?

Mr. JOHNSON. As I said, Fontana has led the way here in environmental standards and other things.

Mr. MEADOWS. All right. So was it your staff that recommended to the board to take this action?

Mr. JOHNSON. Certainly, yes.

Mr. MEADOWS. All right. And they did that based on what?

Mr. JOHNSON. Two years of study, a number of public hearings, comment periods.

Mr. MEADOWS. And they did that why? Why? I mean, you don't just have a public hearing unless you have an outcry from the public, generally speaking.

Mr. JOHNSON. Right.

Mr. MEADOWS. So how many complaints did you have?

Mr. JOHNSON. I can't tell you the number. We had a—

Mr. MEADOWS. Well, this is important to you, isn't it, Mr. Johnson?

Mr. JOHNSON. It is important to me. It is really important.

Mr. MEADOWS. And you have got all kinds of staff here.

Mr. JOHNSON. Yeah.

Mr. MEADOWS. So do you not know how many complaints you had?

Mr. JOHNSON. No, I can't—

Mr. MEADOWS. Can you get that to the committee?

Mr. JOHNSON. I'm sure we can.

Mr. MEADOWS. All right.

Mr. JOHNSON. But we had two issues. We had two issues.

Mr. MEADOWS. All right. Did you have over 3,700 complaints?

Mr. JOHNSON. I don't know.

Mr. MEADOWS. Because we've got a petition of over 3,700 people who say that they are going the other way.

Mr. JOHNSON. Yeah, and I have a survey—

Mr. MEADOWS. I will be glad to yield to the gentleman.

Mr. CONNOLLY. Again, I'm putting on my old local government hat. I mean, and we are a big county. I have got 1.2 million people I represented. Yeah. Bigger than seven States. But we are a complaint-based system.

Mr. JOHNSON. Yeah.

Mr. CONNOLLY. So you don't know how many complaints you got about this?

Mr. JOHNSON. I'm sure somebody does. I don't particularly know.

Mr. CONNOLLY. Well, I think that's pretty material.

Mr. JOHNSON. Well—

Mr. CONNOLLY. If it turns—bad policy decisions get made if we overreact to a handful of complaints. If, on the other hand, you have got lots of substantive complaints and concerns that were expressed, and I know you had a fact-finding period. Right?

Mr. JOHNSON. Right.

Mr. CONNOLLY. But I think that's a pretty material figure to get back to us on.

Mr. JOHNSON. Yeah.

Mr. CONNOLLY. Because I'd hate to think that all of this is about making three people happy.

Mr. JOHNSON. No. It's not about making three people happy.

Mr. CONNOLLY. But that's the risk of what you've just done in answering the chairman. You should know that answer.

Mr. JOHNSON. Right, well—

Mr. CONNOLLY. —coming here, testifying before the United States Congress.

Mr. JOHNSON. The second part of this, though, is the proliferation of new floating homes that we are starting to see in marketing materials from developers from other places. And that's really the other factor here. As I said, if we do nothing—

Mr. MEADOWS. So what you're saying is, is that your primary concern is that we don't make it any worse than it is now. Is that your sworn testimony?

Mr. JOHNSON. Well, one primary concern is that we don't proliferate this. Another is that we have the right standard, and the third is that we don't create private property rights in public resources because we don't think we have the power to do that.

Mr. MEADOWS. Which is it?

Mr. JOHNSON. All three.

Mr. MEADOWS. Because we can address two of those.

Mr. JOHNSON. Yeah.

Mr. MEADOWS. So are you saying that you don't want floating homes on your lakes?

Mr. JOHNSON. I think the floating homes, for a reasonable period, is good, but I think if you say they can never be sunset; that this is a perpetual right, that is creating personal property interest in public resources.

Mr. MEADOWS. All right. So you say it's not fair. Is that what you're saying? You've had your vice president of natural resources say it's not fair. I heard that. So is that your testimony too, it's just not fair?

Mr. JOHNSON. No. My testimony is, it is not right.

Mr. MEADOWS. All right. So it's not right. Is it right to condemn the property of landowners and Graham and Swain County, and then take it and then try to manage it and make sure that they kept—because, literally, what happened in Graham and Swain County is you had patriotic Americans who said they were going to give up their homes to allow you to produce energy to win a war. And now all of a sudden, you're the fairness guru?

I mean, is that fair? You took their land. Now you're trying to tell them to get off of what you took originally. Is that fair?

Mr. JOHNSON. So I wasn't around when that happened.

Mr. MEADOWS. Mr. Johnson, I know you weren't and neither was I. But you read, don't you?

Mr. JOHNSON. Oh, yes, I read a lot.

Mr. MEADOWS. Did you condemn the land and did you take it?

Mr. JOHNSON. Absolutely. Absolutely took it to help win World War II. There's no question about that.

Mr. MEADOWS. And I'm glad we did. And you know what? The people of Graham and Swain County are glad you did.

Mr. JOHNSON. Yeah.

Mr. MEADOWS. And all they want to do is get a little bit of it back; all they want to do.

Now, here is what I want to ask you, Mr. Johnson: Is the board, and are you willing to recommend to the board a reasonable compromise where we can keep floating homes there? Are you willing to do that? Yes or no?

Mr. JOHNSON. I'm willing to talk to them about that.

Mr. MEADOWS. That's not my question. That's a great—

Mr. JOHNSON. Well, that's my answer.

Mr. MEADOWS. I'm saying—no, I'm asking you a question and it can be answered yes or no.

Mr. JOHNSON. Right.

Mr. MEADOWS. Are you and your staff willing to recommend to the board a reasonable compromise that would allow floating homes to remain?

Mr. JOHNSON. I say no. I think we have reached a reasonable compromise.

Mr. MEADOWS. Well, why would you say that? I mean, if this is such an unbelievable priority for TVA, why don't you get rid of them tomorrow? If it's such an unbelievable—I mean—

Mr. JOHNSON. So we have the authority today to remove half of them without—

Mr. MEADOWS. Okay. I have the authority today to do a lot of things, too. And so I'm going to go to the gentleman from Wisconsin, allow him to ask some questions. But we will come back. Because here is what I'm concerned about, Mr. Johnson. It's a double standard. It's a double standard. You know, really, when we start to look at all of this, we want to talk about fairness, and you are a federally mandated corporation. Isn't that correct?

Mr. JOHNSON. Yes. Yes.

Mr. MEADOWS. So when you look at the TVA Act, what part of it was actually in 1933, what, is that when the TVA—

Mr. JOHNSON. 1933.

Mr. MEADOWS. What part of that actually gave you the authority to really manage this particular aspect? Because in your opening testimony, it was interesting, you talked about what we are supposed to do, power generation, and we are supposed to manage natural resources. That was part of your opening statement.

Mr. JOHNSON. Yes.

Mr. MEADOWS. That's not in the Act of 1933. It talked about flood control and it talked about power generation. It talked about fertilizer and weapons. And it talked about the environment, but it was really about reforestation of really a place that had all of their timber cut and it never contemplated this. I mean, I have read it. I was up until 2 a.m. Reading the entire, every jot and tittle, so it's not in there. And so your testimony is not in keeping with the TVA Act of 1933.

Mr. JOHNSON. I actually think it is entirely consistent with it under section 26(a).

Mr. MEADOWS. Well, we will agree to disagree. I'm going to go to the gentleman from Wisconsin for 5 minutes.

Mr. GROTHMAN. Thank you. We will give Ms. Sneed a chance to say a little bit.

How much does your family currently pay in annual fees, about?

Ms. SNEED. So between the taxes, the pump fees and mooring fees, it's a little over \$2,000 a year.

Mr. GROTHMAN. And under their new rules, what do you think it's going to be about?

Ms. SNEED. It's going to be a little over \$3,000.

Mr. GROTHMAN. So about a 50 percent increase in one shot?

Ms. SNEED. It is.

Mr. GROTHMAN. Whew. That's a lot.

Ms. SNEED. For our family.

Mr. GROTHMAN. Okay. How does that affect your family? A lot, huh?

Ms. SNEED. It will, but not as much as some people. I mean, there's some people that just have no money and this is—it's going to kick them off the lake.

Mr. GROTHMAN. Wow. You attended a meeting in August a little while ago with a floating homeowners and the TVA. And they revealed they will lose up to 20 to 30 percent of the homes after the proposed regulations and fees go into effect. Would that be 4- to 500 families? Is that—that many people are going to leave, you think?

Ms. SNEED. Well, there's going to be the initial permitting fees. I think it's either \$250 or \$500 depending—and they still haven't published the regulations, so this is still what we are trying to negotiate, too. But so there's that initial permitting fee, and then there's going to be the annual fee.

So between the two, I mean, there's some families that just don't have expendable income beyond what they already have that will lose their homes. And then there's some homes that just won't be able to come up to compliance. There are homes that are abandoned and that they haven't been paying their mooring fees and they are kind of just off to the side. So those need to go. We agree with that. I mean, they have pictures of them. But there are starving families that this will affect.

Mr. GROTHMAN. Okay. My paper here says 360 to 550 families. That's a lot of people.

Ms. SNEED. Correct.

Mr. GROTHMAN. It is almost like a village. I have a lot of villages that aren't that big in my district.

Kind of big stuff. Can you just give me in general how you feel it impacts the sense of community that you have over there?

Ms. SNEED. Yeah. The community on the lakes are, I guess, of a time past. I, being from Minnesota had a condo in northeast Minneapolis, and I couldn't even tell you the names of my neighbors. But on Fontana, I mean, everyone—you just get to know your neighbors. I don't know some of them yet, because I haven't been to their houses. But, you know, like, our neighbors lent us eggs. I was making meat loaf and they had chickens. And like, you know, being a city girl it is like, wow, you just—we even had a group of fishermen come up to our boat and they needed a tool, and we happened to have it. And it was just me and my baby at that time, so I was kind of a little leery because they had a gun on their boat, but we—you know, they just needed help. I gave them help. I gave them the tool and they fixed it.

And, you know, it is a really strong sense of community and this event has actually brought a lot of people together. So that's one good thing; meeting other people from other lakes and then meeting people on our own lakes that would have taken a while from different marinas.

Mr. GROTHMAN. Neat stuff. I will ask Mr. Monteith a question as well. They spelled your name is different on my sheet than your thing, but I guess Monteith is the thing.

Okay. In your testimony, or in his testimony, TVA President William Johnson testified that quote, "TVA" gives—"believes giving compliant homeowners until 2046 to continue enjoying their homes during the extensive sunset period helps mitigate the impact on floating homeowners."

As an affected homeowner, what do you feel about that statement?

Mr. MONTEITH. It is devastating to the homeowner because, you know, hypothetically, just say you own a home and you're wanting to sell that home and nobody is wanting to buy that home as you get older, because it's going to have to come off. What is that homeowner going to do as he is up 60, 70, maybe 80 years old and their family and they want to get rid of that home and they can't afford to? Do you know what is going to happen to that home? Lightning is going to mysteriously hit that home and it's going to burn and sink in the bottom of Fontana Lake, and float all over the place. What are they going to do? Who are they going to sue? A dead man? I mean, get serious. You cannot do something like that. It don't even make sense. That's what going to happen to them.

I mean, I'm just telling you. I mean, you know—let me come back and add a statement if I can.

Mr. GROTHMAN. Sure, absolutely. They said I should ask you question. I said they're right.

Mr. MONTEITH. In the 1950s, in the 1960s, TVA had houseboats all over Fontana Lake. They were not on what we call the State side tied up in harbors. They were on Hazel Creek, Eagle Creek, Forney Creek, Chambers Creek, tied up all over the lake. What did the National Park Service and TVA do? They got together and made them take them all off and take them all into harbors. And you know, people complied with that, because they said it's better to put them in harbors. The dock owners can take care of them and they are not scattered all over the lake to mess up the fishermen. And everybody was happy with that. And that's been working well since that time.

And you know, and it works. And it's again, what I said, limited to how many you can put on that lake. Because you can only put, if you own a harbor, you can only put so many. The only way you put another one is somebody has got to take it off, sell it, or do whatever. And occasionally that happens, and somebody new will put a new one in. But most of the time, they do like Ms. Sneed did, they just buy one and remodel it, and that's what they do.

Mr. GROTHMAN. Okay, well, I'd like to thank Mr. Meadows for holding this. I have got to go back to my other subcommittee, but keep your thumb on them.

Mr. MEADOWS. I thank the gentleman.

We are going to go into a second round and actually—but I will be very brief in light of my good friend from Virginia. I do want to clear up a few things as we look at this.

One, Mr. Monteith, the proposals that you put forth to clean the lakes up in North Carolina that is being used, would you say that it's been effective?

Mr. MONTEITH. Very effective. Very, very effective.

Mr. MEADOWS. All right. Would you see any barriers to allowing that to be used as a model for the other 48 reservoirs other than Fontana? Any barriers?

Mr. MONTEITH. I think it should be used as a model.

Mr. MEADOWS. All right. Mr. Johnson, do you see any barriers to being able to use that in any of your other 48 reservoirs?

Mr. JOHNSON. Just the execution and enforcement, but the idea and the standards are good.

Mr. MEADOWS. All right. So if a county of jurisdiction was willing to handle the enforcement of that policy, as Graham and Swain County have both agreed to do on Fontana in our area, if a county was willing to take on that responsibility from TVA, do you not see that as a reasonable compromise because you have a government entity willing to enforce regulations for the health, safety, and welfare of the public, which they have as a primary responsibility already. Do you not see that that is something that TVA could actually transfer to the local governments within the counties to maintain and protect?

Mr. JOHNSON. I will have to say a theoretical yes to that. I really hadn't thought about that hard, but—

Mr. MEADOWS. Well, I suggested that originally. I said, you know, if I have got Graham and Swain County willing to take on the responsibility, let me just—Mr. Johnson, let me be clear. They already do.

Mr. JOHNSON. Yeah.

Mr. MEADOWS. They already do. So how many game wardens do you have on your lakes and reservoirs?

Mr. JOHNSON. We don't have game wardens.

Mr. MEADOWS. Okay. How many law enforcement officers do you have on Fontana?

Mr. JOHNSON. Depending, time to time, a couple.

Mr. MEADOWS. When was the last time they were on Fontana?

Mr. MONTEITH. I have not seen them.

Mr. MEADOWS. Mr. Monteith, have you seen—

Mr. MONTEITH. I have not saw them in years.

Mr. MEADOWS. In years. So are they just sleeping under a tree, or are they going to some other reservoir?

Mr. JOHNSON. They are no longer in uniform so you might not be able to see them because—

Mr. MEADOWS. Oh, so we have got undercover law enforcement officers?

Mr. JOHNSON. They are not undercover. They are not undercover. They just don't wear police uniforms.

Mr. MEADOWS. So how many citations have they given on Fontana?

Mr. JOHNSON. I don't know, but they don't write health citations. These are—

Mr. MEADOWS. So what do they do?

Mr. JOHNSON. Protect property. These are Federal—

Mr. MEADOWS. How do they do that without writing citations?

Mr. JOHNSON. I just said, they don't write health citations.

Mr. MEADOWS. So how many citations have your law enforcement guys written on Fontana in the last 4 years since you've been there?

Mr. JOHNSON. I don't know, but we can find out.

Mr. MEADOWS. Well, you have got a staff. You've got your chief of staff behind you. I'm sure he knows. You can turn around and ask him. I'll give you time.

Mr. JOHNSON. You've dealt with him. I'm pretty sure he doesn't know.

Mr. MEADOWS. He doesn't know?

Mr. JOHNSON. No, he won't know.

Mr. MEADOWS. Oh, he won't know.

Mr. JOHNSON. No.

Mr. MEADOWS. Are you telling him not to know, or are you—

Mr. JOHNSON. No. Oh, no, I don't have to tell him that.

Mr. MEADOWS. Okay.

Mr. JOHNSON. He legitimately doesn't know.

Mr. MEADOWS. So since, you know, we—Ms. Sneed was worried about guns.

Mr. CONNOLLY. I hope you understand how that just came across?

Mr. JOHNSON. Yeah.

Mr. CONNOLLY. I mean, if I said that to my chief of staff, he would fire me. Don't ask him. He don't know.

Mr. MEADOWS. So Mr. Johnson, let me ask you this: What kind of firearms do they carry?

Mr. JOHNSON. Nine-millimeter Glocks and carbines in their vehicles.

Mr. MEADOWS. All right. And so they use those so they don't write citations. They just use their firearms.

Mr. JOHNSON. They never use their firearms.

Mr. MEADOWS. So they just—

Mr. JOHNSON. I'm aware of no discharges of a weapon by a TVA policeman in my time there.

Mr. MEADOWS. Okay. I think you're getting my point.

Mr. JOHNSON. Yes.

Mr. MEADOWS. My point is the—is the county not better suited to manage the health, safety and welfare of the reservoirs that are within their jurisdiction than you are?

Mr. JOHNSON. Well, and certainly, I should say this, most of our property, the primary law enforcement is the local sheriff.

Mr. MEADOWS. Oh, I know that. I talked to Sheriff Cochran of Swain County.

Mr. JOHNSON. Right, so—yeah.

Mr. MEADOWS. He has already told me that. And so—

Mr. JOHNSON. Oh, yeah.

Mr. MEADOWS. —is it not a reasonable request that we do this for the benefit of the floating homeowners? Or do you have such a burr in your saddle that you want to get rid of them no matter

what, that a reasonable compromise is not something that you are willing to look at?

Mr. JOHNSON. No. First of all, to the first question, is this a good idea to have local enforcement? I think I said yes to that. I would like to ponder the exact execution, but yes, I do think that putting in standards, all of those things is good. I, and the TVA board especially, thinks this idea of permanence is just something they cannot do.

Mr. MEADOWS. But they got that recommendation from staff.

Mr. JOHNSON. Well, they got a whole bunch of recommendations in the EIS.

Mr. MEADOWS. So have they heard from more people that are in favor of floating homes or against floating homes?

Mr. JOHNSON. They have heard, in the public listening sessions, they have heard from more people who are in favor of floating homes. Survey—

Mr. MEADOWS. And in terms of the complaints and petitions, have they heard from more people that are in favor of floating homes or against it?

Mr. JOHNSON. Actually, in the comment period in the EIS, in the comment period in the land policy, we heard from many, many more who are opposed to any residential development.

Mr. MEADOWS. Well, that's because you have got your good friend, Mr. Butler, from the Federation, that sends out a mass email to all of their activists that say that they do that, or are they actual local constituents?

Mr. JOHNSON. They are all people who live in the Tennessee Valley.

Mr. MEADOWS. All right. So what you're saying is you got more responses from that?

Mr. JOHNSON. Yeah.

Mr. MEADOWS. But yet, I asked you a question about how many complaints you had originally, you couldn't answer that. But you know, for a fact, your sworn testimony is this?

Mr. JOHNSON. Yeah. So I don't know exactly how many complaints we have. I do know when we do surveys, when we do EIS, when we do land policy, much stronger opposition to any residential development on or around the water than support for it.

Mr. MEADOWS. All right. So let me ask you this: What's your primary responsibility and main mission at TVA? What's the primary, the number one thing, if the—if I'm asking you a number one thing, what would it be?

Mr. JOHNSON. I'd say we follow the statute. There are three priorities in the statute.

Mr. MEADOWS. Of which managing natural resources is not one of those. I've looked and I would challenge you to give that statute to me. If you go to TVA.gov right now, you can look at what your statutes are. Environmental is at the very last part. What is the number one?

Mr. JOHNSON. Probably the number one is low-cost, reliable electricity.

Mr. MEADOWS. Exactly. Why is that? Because in the TVA Act, didn't it kind of stipulate that the CEO had to have some kind of utility background?

Mr. JOHNSON. Yeah, sure.

Mr. MEADOWS. Yeah. And so that's your number one priority focus. So why are we spending so much time on floating homes if that's your number one—are you making a profit?

Mr. JOHNSON. No, we make no profit. We make no profit.

Mr. MEADOWS. So how much do you get paid?

Mr. JOHNSON. About \$4.5 million a year.

Mr. MEADOWS. All right, with bonuses, and other things, what's your total compensation?

Mr. JOHNSON. About \$4.5—

Mr. MEADOWS. All right. So \$4.5 million to make no money. Are you losing money?

Mr. JOHNSON. No. No, we are actually in very good financial shape. The cochairman said the debt is high—

Mr. MEADOWS. How many billions of dollars of unfunded liabilities do you have for retirement?

Mr. JOHNSON. Somewhere in the neighborhood of \$6 billion.

Mr. MEADOWS. So how can you say that you have \$6 billion in unfunded liabilities for retirement, and that you are in good financial shape?

Mr. JOHNSON. We've taken the debt down \$1 billion in the last—

Mr. MEADOWS. I didn't say the progress.

Mr. JOHNSON. No, no—

Mr. MEADOWS. I'm saying, how can you say that?

Mr. JOHNSON. Well, because we are in good financial shape.

Mr. MEADOWS. Only because you have what? Could you sell your company if you didn't have the backing of the Federal Government?

So if you didn't have a \$500 million credit line that just got renewed 2 weeks ago, or a \$1.6 billion credit line from the Federal Government, could you sell your corporation to a private entity?

Mr. JOHNSON. We couldn't, but you could.

Mr. MEADOWS. But assuming that President Obama and I agree that that would be a good idea, because as you know, you pointed it out to me, that he wants to do that. So assuming that we both agree that that's a good idea, would somebody buy it?

Mr. JOHNSON. Sure. He—the administration—

Mr. MEADOWS. Without—with the current liability?

Mr. JOHNSON. Sure. Every entity has unfunded liabilities that go well into the future. Ours is no different than anybody else's. And if you look at our financials—

Mr. MEADOWS. Well, it is different. I have looked at your financials, Mr. Johnson. You know that I have.

Mr. JOHNSON. Sure.

Mr. MEADOWS. So tell me about this nuclear plant that you have invested \$5 billion and you now have an offer, I guess, of what, \$38 million?

Mr. JOHNSON. We don't have an offer. We have a minimum bid price.

Mr. MEADOWS. Minimum bid price. So you have no offers on it at this point?

Mr. JOHNSON. The period to receive offers hasn't ended yet.

Mr. MEADOWS. So you have invested \$5 billion and you are wanting \$38 million for it?

Mr. JOHNSON. So a little history. That plant was started in 1974.

Mr. MEADOWS. Don't need the history. I know the history. I understand it started before your time. I don't need that. And let me just—I'm trying to show that what you got here, is you're focusing on 1,826 floating homes when you should be focusing on something else.

Mr. JOHNSON. I will tell you, I'm entirely focused on running TVA. And if you actually look at the record and look at the last couple of years, you are going to see tremendous improvement. I will put our performance up against any utilities in the country. We have reduced our debt. We have reduced or spending by 25 percent.

Mr. MEADOWS. I—you know, I'm an old utility guy and I understand that. I understand where you were. I understand where you are, and as I look at that, embarking on selling off this asset that you have \$5 billion invested in, and you are going to sell it off, what is your return on investment?

Mr. JOHNSON. There is none. If you—

Mr. MEADOWS. Exactly. All right. So who is Scott Fiedler? Is it Fiedler, or Fielder? Do you know him?

Mr. JOHNSON. I don't.

Mr. MEADOWS. Who is your spokesperson?

Mr. JOHNSON. Well, we have a bunch of them.

Mr. MEADOWS. Well, I have got a quote here from a Scott Fiedler.

Mr. JOHNSON. Could be. We have—

Mr. MEADOWS. Does he work for you?

Mr. JOHNSON. If he is a spokesperson for us, he does. We have a lot of spokespeople.

Mr. MEADOWS. Okay. So he speaks for TVA?

Mr. JOHNSON. If he is one of ours, yes.

Mr. MEADOWS. Well, turn around and ask him if he is one of yours.

Mr. JOHNSON. Is he one of ours?

Mr. MAIERHOFFER. Yes.

Mr. JOHNSON. He's one of ours.

Mr. MEADOWS. I'm glad your chief of staff knows something. All right.

Mr. CONNOLLY. Thank God.

Mr. MEADOWS. So let me ask you, here is what is concerning me. Here's a quote from your spokesperson. And it has to do with the \$5 billion nuclear power plant that you are selling off there that has, what, 1,600 acres along the river? Is that correct?

Mr. JOHNSON. Yes.

Mr. MEADOWS. Sixteen hundred acres along the river.

Mr. JOHNSON. Yep.

Mr. MEADOWS. TVA says, it isn't particularly concerned about what the purchaser does using the site for power production or industrial manufacturing or recreation, or even residential. It's not particularly concerned about it.

How do you reconcile not particularly concerned about what happens with 1,600 acres along a river with being very concerned with what happens with 1,826 floating homes on 49 reservoirs?

How do you reconcile the two?

Mr. JOHNSON. Yeah, so actually, the sale of that property, which will be done in open bid, has a buffer along the river. The property along the river is not going to be sold, to avoid this very problem.

Mr. MEADOWS. All right. So what you're saying is that you're not going to let them do anything with the river?

Mr. JOHNSON. Right. Keeping a buffer.

Mr. MEADOWS. But they can do all kinds of manufacturing there, right?

Mr. JOHNSON. Sure. We hope they will.

Mr. MEADOWS. So in terms of the environment, are you going to put restrictions on that?

Mr. JOHNSON. There are restrictions on that as a matter of Federal and State law. We will enforce that.

Mr. MEADOWS. Okay. That's exactly my point. There are restrictions on the waters of every single reservoir you have that are Federal and state laws. Why do we need you?

Mr. JOHNSON. Well, we have a different reading of the statute. But as I read the statute, we are responsible for the Tennessee River and its tributaries.

Mr. MEADOWS. So your spokesman went on to say that really, his primary goal was just to sell the property.

Mr. JOHNSON. We are holding—

Mr. MEADOWS. Was that accurate?

Mr. JOHNSON. Yeah. Well, what we are trying to do is to put it to productive use since we are never going to build that plant and never going to need the power from it, so if there is a way to return it to productive use, that would be a good idea.

Mr. MEADOWS. All right. Have you lobbied Members of Congress and Senators up here as it relates to floating homes?

Mr. JOHNSON. No. We do not lobby.

Mr. MEADOWS. Okay. Have you had meetings with Senators and Congressmen as it relates to floating homes, other than me?

Mr. JOHNSON. I'm unaware of any. I think we have answered some questions from various offices. I think that's the extent of it.

Mr. MEADOWS. And so your sworn testimony here today, is that you did not initiate any contact with any other Member of Congress other than myself? Is that your sworn testimony?

Mr. JOHNSON. My testimony is—

Mr. MEADOWS. I would suggest that you check with your government affairs folks.

Mr. JOHNSON. I'm about to. My testimony was I have not.

Mr. MEADOWS. Okay.

Mr. JOHNSON. So may I?

Mr. MEADOWS. I'm assuming that it is not you, so has anyone done that?

Mr. MAIERHOFFER. No, we have had conversations.

Mr. JOHNSON. We have had conversations, but we certainly haven't lobbied on it.

Mr. MEADOWS. Well, that is just a definition of lobby. I mean, conversations are lobbying, and I mean, I'm not saying you are federally a lobbyist.

Mr. JOHNSON. Right.

Mr. MEADOWS. But you have initiated responses, right?

Mr. JOHNSON. Well, my chief of staff says we haven't, and I certainly don't know of any, but we have been asked questions, obviously by members of the delegation.

Mr. MEADOWS. Sure. And so the members of the delegation, are they supportive of your new policy?

Mr. JOHNSON. Some are not, and some are not involved.

Mr. MEADOWS. All right. So there's no one who is supportive. There's some who are saying they are not go to take a position, but the others are against it?

Mr. JOHNSON. I think that's fair, yeah.

Mr. MEADOWS. All right. So you don't care what Members of Congress or Senators really have to say about this. Is that correct?

Mr. JOHNSON. No, that's not correct at all. I do care.

Mr. MEADOWS. Well, you are saying that everybody is against it.

Mr. JOHNSON. Yeah. The difference is I think you all are engaged in serving your constituents, as you should. I think we are on a little different mission here, which is public resource stewardship.

Mr. MEADOWS. Okay. Here is what I would like for you to get back to this committee. In the priority of public resource stewardship—

Mr. JOHNSON. Uh-huh.

Mr. MEADOWS. Give me the statutes which puts that at the same priority as the rest of it. Now, on anything on TVA.gov, does it give you the ability to revoke these permits?

Mr. JOHNSON. I think when the permits were issued, they said there is no property right created here, so—

Mr. MEADOWS. Anything on TVA.gov?

Mr. JOHNSON. I don't think there is a specific revocation.

Mr. MEADOWS. I can tell you, there's not. I have read every single word, and there is not anything, not one mention of revoking anything. In fact, just the opposite. It says if you get a permit, you got a permit. Now, in the 26(a) application permit, I've looked at that, you have got some language there. But in terms of notice to the public, there is nothing on your Web site even today that would suggest you can do what you're doing. In fact, it says that we are going to grandfather everybody in from 1978 and before. Would you agree with that?

Mr. JOHNSON. Yeah. Correct.

Mr. MEADOWS. All right. So you're going to get some of these things back. We have got a number of questions that are there. I'm going to let the gentleman go. Here is my request of all of you. You've been writing notes. You've got that. And here's what I would ask you to do, and those that are watching via Webcast. If there's questions that you have that weren't asked, submit them to the committee. We will be glad to ask those questions.

Mr. JOHNSON, I want to make it very clear. I am very concerned that with the public outcry that I'm hearing, that other Members of Congress are hearing, that you have seen, that this was an arbitrary decision that was not based solely on the number one priority that you have, to produce low cost energy for the region, to create jobs. If anything, this is a jobs killer. And what you've done is you've taken one priority to make it higher than the other. And I'm discouraged that Mr. Monteith has given you a solution, and your board is not even willing to look at that, to use that. It seems to

me to be very poor decisionmaking when you have a solution that would address it right here. You have a solution. And your testimony says that Fontana is doing well, right?

Mr. JOHNSON. Yeah, I think I said that part of the solution is good. It doesn't address the other issue of permanent property rights and public resources.

Mr. MEADOWS. And so what in the statute gives you the ability to control that?

Mr. JOHNSON. So we lean on 26(a) in the statute. We have some other things. We will get you all of those statutory references. But you know, we do a lot of stewardship things. We are a Native Americans remains repatriation.

Mr. MEADOWS. Well, it's funny you mention that, because I know that, and actually, I think you had promised some support for the eastern ban, that you would get them support for a piece of land in Tennessee, and yet, you haven't really followed up on that, Mr. Johnson. No, they don't have the letter. I checked this morning.

Mr. JOHNSON. Well, I will check when I get back.

Mr. MEADOWS. So you will get them the letter?

Mr. JOHNSON. Yep.

Mr. MEADOWS. All right.

Mr. CONNOLLY. I would just, if I could parenthetically, Mr. Chairman, I'm with you all the way, Mr. Johnson, on the assertion that nobody has any permanent squatting rights on public land. I'm sorry. You don't. And anyone who asserts otherwise is wrong, and the implications of conceding that across the country, I mean, so what, I get to build my dream house on the rim of the Grand Canyon, or in the middle of Yellowstone? I mean, where is that at? Public land is public land. However, so let us stipulate that. And let's assert it properly. But, meanwhile, we have got a human problem with 1,826 homes. Can we work out a solution, I think the chairman is suggesting, stipulating your principle, without unnecessarily discommoding and harming those individuals who are there. They are here now. Is the only solution to make the point about, no, you cannot exercise that right on public land, we have to evict you. You all have to go away by X period in history. And I think that's really the question here.

Mr. JOHNSON. Sure, I agree.

Mr. CONNOLLY. And I share the chairman's frustration that there has to be some kind of middle way that allows us to, you know, assert that principle while also not harming innocent people who were trying to be right with the law. Now, if they are operating illegally, that's a different matter, and, Mr. Monteith, I know you would share that, as you are sworn to uphold the law, as am I, as is the chairman. And in local government, that's what we have to do, right, but we also exercise common judgment while we are doing it, and that's really I think the challenge here. So, no one, I think, would take issue with your assertion, but on the other hand, we got a lot of Ms. Sneed here who, in good faith, have chosen a lifestyle and a place to live to raise their families and don't want to be evicted arbitrarily. And so we got to find a middle way to make both work.

Mr. JOHNSON. If I can make one point here, and I agree with that and this is hard. It was not arbitrary and capricious, it was

hard-thought and took a long time. At the end of the sunset period, the youngest floating house that got a permit there be 70 years old. And the oldest will be 100. And so I don't know what the period is that you can exert occupancy and some right, but 70 years is a pretty long time. So it's not just 30 years. It's, remember those permits were issued in 1978.

Mr. CONNOLLY. I assure you it is not as long as you think.

Mr. MEADOWS. Yeah. All right, if—I want to thank all of the witnesses, and I'm looking forward to the follow-up. I'm looking forward to resolving this in a way that doesn't harm the families that are here, doesn't harm the economy that we see. And we didn't put a lot of emphasis on this, but I can tell you there are marina owners, there are people that truly make their living, and, Mr. Johnson, since you have been there, you know, Graham and Swain County have been in the depression for a long time. And so when we look at that, when we talk about jobs, we are talking about, you know, some of the folks that honestly in Graham County, the population doesn't grow because there's no new jobs, and you are about to take some of them away. And when that happens in my backyard, let me tell you what you have experienced today is just the beginning. Because I'm—and I have told you that personally and you know, that.

Mr. JOHNSON. Yes, sir.

Mr. MEADOWS. And it is not a threat. I have got to stand up for the people that I represent. And I don't own a floating home, don't plan to own a floating home. They will get real cheap, you know, as it gets closer, so I could probably buy, a half dozen of them. So, you know, as we look at that, I guess you all are going to compensate all of these floating homes owners because you didn't enforce your own regulation, so when you do that, you are going to actually compensate them, right?

Mr. JOHNSON. I doubt that that's the case.

Mr. MEADOWS. Yeah, I doubt it too. If there's no further business before the committee, the committee stands adjourned.

[Whereupon, at 11:26 a.m., the subcommittee was adjourned.]

APPENDIX

MATERIAL SUBMITTED FOR THE HEARING RECORD

Questions for the Record
Bill Johnson
President and Chief Executive Officer
Tennessee Valley Authority
Subcommittee on Government Operations
Committee on Oversight and Government Reform
United States House of Representatives
September 23, 2016

1. How many complaints has the Tennessee Valley Authority (TVA) received regarding its decision to remove nonnavigable houseboats and floating houses?

Response:

TVA conducted extensive outreach with the public before, during and after the policy review for nonnavigable houseboats and floating houses. Below are responses:

	Supportive of Sunset/Policy	Against Sunset/Policy	No Opinion Expressed	Total
Comments in FEIS (App F)	70	44	37	151
Letters and emails	9	128		137
Phone Calls	4	11		15
Floating House In-Box	32	108		140
EIS Scoping Report	18	59		77
Totals	133	350	37	520

TVA also received a petition at the May 5 TVA Board meeting from floating home supporters that included approximately 3,600 signatures with over 900 comments.

TVA has received numerous complaints from the public about these structures over the years. The complaints come to a TVA staff member typically by phone or in person and include comments such as 1) above and below water cables are dangerous to boating public, 2) electrical hazards associated with electrical lines and distribution houses in the water, 3) discharges of wastewater into the reservoir, 4) use of public lands for housing, and 5) discarded debris from construction or remodeling along the shoreline or in the water. TVA did not catalogue these complaints.

We do acknowledge that complaints sometimes bring issues to TVA attention, but TVA decisions regarding public lands are not based solely upon the number of complaints received. In this particular case, the effort to review floating houses was primarily initiated after two proposals for developing subdivisions on Norris and Fort Loudon Reservoirs.

The floating home policy approved by the Board is in line with TVA's Land Policy which was approved by the TVA Board on November 30, 2006. This Policy protects and preserves

undeveloped public lands managed by TVA. TVA received more than 5,000 comments from the public, organizations, elected officials, and government agencies during the public comment period. Over 92 percent (about 4,600) of the comments supported the draft Policy.

2. *Did the Tennessee Valley Authority follow through with its promise to the Eastern Band of Cherokee to write a letter expressing support for legislation that would complete a transfer of TVA lands with Cherokee historical sites back to the Tribe?*

Response:

TVA sent a letter on September 30, 2016, to the House Committee on Natural Resources Subcommittee on Indian, Insular and Alaska Native Affairs. A copy of the letter is attached.

3. *The TVA recently announced that it set a November 14 auction date to sell the unfinished Bellefonte nuclear power plant. Given the \$5 billion investment in this facility, how will the TVA reduce losses in the sale? Has TVA considered raising its \$36.4 million bid price considering the \$5 billion in capital and interests costs it spent on the property?*

Response:

Given current economic and market conditions, greater advancements in energy efficiencies and distributed generation technologies, and projections in TVA's 2015 Integrated Resource Plan, it may be two decades before additional large baseload generation is needed such as that which would be generated by Bellefonte. TVA had been investing at a minimal level to preserve the Bellefonte site for future generating use, should it be needed. TVA began exploring options for the future of the Bellefonte site during the second quarter of 2016, and management subsequently recommended that the site be declared surplus. At its May 5, 2016 meeting, the TVA Board declared the site surplus and directed the sale of some or all of the site at public auction.

On November 14, 2016, TVA held an auction at its 1,400-acre Bellefonte site in northeast Alabama. The minimum bid price was \$36 million which was the property's appraised value. The highest bidder offered \$111 million for the site.

In November 2013, the TVA Board approved the treatment of all amounts currently included in Construction in progress related to Bellefonte as a regulatory asset. Additionally, the TVA Board approved combining (1) the amounts related to Bellefonte previously included in Construction in progress, (2) the \$619 million in Regulatory asset-Construction costs, and (3) the remaining amounts included in Regulatory asset-Deferred nuclear generating units into a single regulatory asset titled Deferred nuclear generating units.

Furthermore, in August 2016 the TVA Board approved the recognition of a regulatory asset for (1) all costs attributable to (a) the expected disposition of Bellefonte assets, including preparing or preserving the Bellefonte site, and (b) associated liabilities directly related to those assets, (2) any related future operating and project costs until the assets are sold, (3) the amount by which the book value of Bellefonte exceeds its fair market value less cost to sell, if any, (4) any subsequent gains and losses resulting from the disposition or impairment of Bellefonte, and (5) any costs attributable to the steam generators for Bellefonte until TVA disposes of the generators.

Deferred nuclear generating units totaled \$1.1 billion at September 30, 2016. Such amounts have been classified as a Regulatory asset in the September 30, 2016 Consolidated Balance Sheet. The TVA Board approved the recovery of this asset in future rates at an amount of \$237 million per year until fully recovered. The amount to be amortized over the next year is included as a current regulatory asset on TVA's consolidated balance sheets.

4. **The TVA's Board of Directors is authorized by statute to determine the compensation package for its executives. Considering that the TVA has a \$10 billion budget and debts that are tied to the national deficit, does the TVA consider its current practice of letting political appointees determine executive compensation appropriate?**

Response:

TVA believes it is the purview of the United States Congress to determine the manner for approving compensation for its employees. The current TVA governance and compensation structure was approved by Congress in 2004 during consideration of the Consolidated Appropriations Act of 2005 (P.L. 108-447).

5. Please provide the Committee with each of the statutory references (excluding the references to executive compensation) cited by TVA CEO William Johnson during the September 23, 2016, hearing.

Response:

During the hearing, Chairman Meadows asked Mr. Johnson for statutory references to manage both personal property in public resources and natural resource stewardship.

As discussed in previous correspondence, the TVA Act charges TVA with the unified development and regulation of the Tennessee River System. 16 U.S.C. § 831-y. Section 26a of the Act gives TVA discretion to approve the construction and operation of obstructions that affect navigation, flood control and public lands.

It reads:

The unified development and regulation of the Tennessee River system requires that no dam, appurtenant works, or other obstruction, affecting navigation, flood control, or public lands or reservations shall be constructed, and thereafter operated or maintained across, along, or in the said river or any of its tributaries until plans for such construction, operation, and maintenance shall have been submitted to and approved by the Board; and the construction, commencement of construction, operation, or maintenance of such structures without such approval is hereby prohibited. When such plans shall have been approved, deviation there from either before or after completion of such structures is prohibited unless the modification of such plans has previously been submitted to and approved by the Board.

In the event the Board shall, within sixty days after their formal submission to the Board, fail to approve any plans or modifications, as the case may be, for construction, operation, or maintenance of any such structures on the Little Tennessee River, the above requirements shall be deemed satisfied, if upon application to the Secretary of War, with due notice to the Corporation, and hearing thereon, such plans or modifications are approved by the said Secretary of War as reasonably adequate and effective for the unified development and regulation of the Tennessee River system.

Such construction, commencement of construction, operation, or maintenance of any structure or parts thereof in violation of the provisions of this section may be prevented, and the removal or discontinuation thereof required by the injunction or order of any district court exercising jurisdiction in any district in which such structures or parts thereof may be situated, and the Corporation is hereby authorized to bring appropriate proceedings to this end.

The requirements of this section shall not be construed to be a substitute for the requirements of any other law of the United States or of any State, now in effect or hereafter enacted, but shall be in addition thereto, so that any approval, license, permit or other sanction now or hereafter required by the provisions of any such law for the construction, operation, or maintenance of any structures whatever, except such as may be constructed, operated or

maintained by the Corporation shall be required, notwithstanding the provisions of this section.

Three sections of the TVA Act – Section 4(k), Section 22 and Section 31 – give TVA authority to manage natural resource stewardship.

Section 4(k) says the Corporation:

(k) Shall have power in the name of the United States—

(a) to convey by deed, lease, or otherwise, any real property in the possession of or under the control of the Corporation to any person or persons, for the purpose of recreation or use as a summer residence, or for the operation on such premises of pleasure resorts for boating, fishing, bathing, or any similar purpose;

(b) to convey by deed, lease, or otherwise, the possession and control of any such real property to any corporation, partnership, person, or persons for the purpose of erecting thereon docks and buildings for shipping purposes or the manufacture or storage thereon of products for the purpose of trading or shipping in transportation: *Provided*, That no transfer authorized herein in (b) shall be made without the approval of Congress: *And provided further*, That said Corporation, without further action of Congress, shall have power to convey by deed, lease, or otherwise, to the Ingalls Shipbuilding Corporation, a tract or tracts of land at or near Decatur, Alabama; and to the Commercial Barge Lines, Inc., a tract or tracts of land at or near Guntersville, Alabama;

(c) to transfer any part of the possession and control of the real estate now in possession of and under the control of said Corporation to any other department, agency, or instrumentality of the United States: *Provided*, however, That no land shall be conveyed, leased, or transferred, upon which there is located any permanent dam, hydroelectric power plant, or munitions plant heretofore or hereafter built by or for the United States or for the Authority, except that this prohibition shall not apply to the transfer of Nitrate Plant Numbered 1, at Muscle Shoals, Alabama, or to Waco Quarry: *And provided further*, That no transfer authorized herein in (a) or (c), except leases for terms of less than twenty years, shall be made without the approval of the President of the United States, if the property to be conveyed exceeds \$500 in value; and

(d) to convey by warranty deed, or otherwise, lands, easements, and rights-of-way to States, counties, municipalities, school districts, railroad companies, telephone, telegraph, water, and power companies, where any such conveyance is necessary in order to replace any such lands, easements, or rights-of-way to be flooded or destroyed as the result of the construction of any dam or reservoir now under construction by the Corporation, or subsequently authorized by Congress, and easements and rights-of-way upon which are located transmission or distribution lines. The Corporation shall have power to convey or lease Nitrate Plant Numbered 1, at Muscle Shoals, Alabama, and Waco Quarry, with the approval of the War Department and the President.

Section 22 reads:

To aid further the proper use, conservation, and development of the natural resources of the Tennessee River drainage basin and of such adjoining territory as may be related to or materially affected by the development consequent to this Act, and to provide for the general welfare of the citizens of said areas, the President is hereby authorized, by such means or methods as he may deem proper within the limits of appropriations made therefor by Congress, to make such surveys of and general plans for said Tennessee basin and adjoining territory as may be useful to the Congress and to the several States in guiding and controlling the extent, sequence, and nature of development that may be equitably and economically advanced through the expenditure of public funds, or through the guidance or control of public authority, all for the general purpose of fostering an orderly and proper physical, economic, and social development of said areas; and the President is further authorized in making said surveys and plans to cooperate with the States affected thereby, or subdivisions or agencies of such States, or with cooperative or other organizations, and to make such studies, experiments, or demonstrations as may be necessary and suitable to that end.

Section 31 reads:

This Act shall be liberally construed to carry out the purposes of Congress to provide for the disposition of and make needful rules and regulations respecting Government properties entrusted to the Authority, provide for the national defense, improve navigation, control destructive floods, and promote interstate commerce and the general welfare, but no real estate shall be held except what is necessary in the opinion of the Board to carry out plans and projects actually decided upon requiring the use of such land: *Provided*, That any land purchased by the Authority and not necessary to carry out plans and projects actually decided upon shall be sold by the Authority as agent of the United States, after due advertisement, at public auction to the highest bidder, or at private sale as provided in section 4(k) of this Act.



Tennessee Valley Authority, 400 West Summit Hill Drive, Knoxville, Tennessee 37902

September 30, 2016

The Honorable Rob Bishop
Chairman
Committee on Natural Resources
United States House of Representatives
Washington, D.C. 20515

The Honorable Raul Grijalva
Ranking Member
Committee on Natural Resources
United States House of Representatives
Washington, D.C. 20515

The Honorable Don Young
Chairman
Subcommittee on Indian, Insular and
Alaska Native Affairs
United States House of Representatives
Washington, D.C. 20515

The Honorable Raul Ruiz
Ranking Member
Subcommittee on Indian, Insular and
Alaska Native Affairs
United States House of Representatives
Washington, D.C. 20515

Dear Chairman Bishop, Representative Grijalva, Chairman Young and Representative Ruiz,

I want to follow up on a February 23, 2016, letter I sent you regarding legislation (H.R. 3599), known as the "Eastern Band Cherokee Historic Lands Reacquisition Act", introduced by Representative Chuck Fleischmann of Tennessee.

As I stated in that letter, TVA does not object to the goals of H.R. 3599, which would transfer lands, a significant portion of which are now under easement to Eastern Band of Cherokee Indians (EBCI), to be held in trust by Department of Interior's Bureau of Indian Affairs (BIA) for the benefit of EBCI. Although TVA's preferred method would be to transfer the land to BIA using disposal authorities granted under the TVA Act, TVA will comply if Congress determines that H.R. 3599 should effectuate the transfer.

Again, this is a unique situation, as it appears from our records and discussions with the EBCI that, as part of the construction of Tellico Reservoir, TVA intended to transfer an interest in certain parcels to the BIA on behalf of EBCI. TVA seeks to honor our previous agreement with EBCI. Although there are a number of federally-recognized tribes whose aboriginal lands are located in the Tennessee Valley, TVA is not aware of any similar discussions or agreements with other tribes regarding lands in TVA custody within the Valley or with EBCI concerning any lands other than those currently under easement to EBCI.

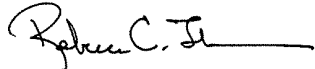
Since our last discussion with the Committee, TVA, EBCI and Congressman Fleischmann's office have continued discussions to improve the bill. All three parties have agreed to strike Sections 2(c) and 3(b) of the legislation. These provisions could be construed to bestow new authorities to TVA which are not currently available in federal statute. We would strongly support these changes and think it makes it a stronger bill. TVA believes that any additional lands

The Honorable Rob Bishop
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not identified in Sections 2(a) and 3(a) should go through a similar Congressional approval process as required by H.R. 3599 or should be transferred under TVA's existing disposal authorities.

If you have additional questions, please do not hesitate to contact Ben Portis in the TVA Washington office at 202-898-2999.

Sincerely,

A handwritten signature in black ink, appearing to read "Rebecca C. Tolene", with a long horizontal flourish extending to the right.

Rebecca C. Tolene
Vice President, Natural Resources
Deputy General Counsel