

Megasite Authority of West Tennessee Board of Directors

Meeting Date: July 23, 2025

Time: 10:00 a.m. – 11:40 a.m.

Location: William R. Snodgrass Tennessee Tower, Nashville, Tennessee

Attendees:

Clay Bright, CEO

Charles Tuggle, Chairman

Commissioner Bryson

Sharon Kolb, Designee for Commissioner McWhorter

Commissioner Holmes

Michael Banks

Gene Bowden

Jim Duke

Carolyn Hardy (virtual attendee)

Jeff Huffman

Chris Richards

Christy Allen, Legal Counsel

- Chairman Tuggle called the meeting to order at 10:00 a.m.
- CEO Bright acknowledged Commissioner Holmes joining the team and thanked him for being present.
- CEO Bright conducted the roll call, and a quorum was present.
- The first item on the agenda was approval of the May 21, 2025, meeting minutes.
 - Motion to approve by Commissioner Bryson
 - CEO Bright requested a change on page two – Haywood County is helping us assess the property, not access the property.
 - Chairman Tuggle asked if there was a second to approve as amended.
 - Seconded by Mr. Duke
 - Hearing no other changes or amendments in a roll call vote, the motion passed.
- Zoning Amendment: WHPP
 - CEO Bright noted that Chris Bowles had assisted with the process and invited Mr. Bowles to offer any comments.
 - Mr. Bowles stated that WHPP was prepared a few years ago in accordance with TDEC rules and with help from CAESER out of the University of Memphis. The plan includes a contaminant source inventory that was prepared and will be updated on a regular basis. There are two interesting points about the water resources resolution, which is primarily an amendment to the zoning regulations:

1. This document will require that any application for a special use permit provide evidence that the proposed use will not negatively impact the aquifer's water quality. There is also a requirement that upon submitting a site plan for approval, information must be provided about any hazardous materials that might be used there, as well as evidence of how that use will not affect the water quality of the aquifer. It is important to note that this is broader than the standard public water system regulations because it covers the entire Megasite.
 2. The other item to note is the size of the WHPP areas. A Category One public water system, non-community water system, has a very prescribed boundary around each well site of a 250' radius, or Zone 1, and a broader radius of 750' is Zone 2. Through discussions with CAESER and with Ford and other stakeholders, it was determined by the CEO and those preparing this resolution that it made sense to provide that same broad level of protection to the entire 750' radius due to the high-water volume expected once fully operational. It is a Category One WHPP area with equivalent regulations for Zone 1 and Zone 2.
- Chairman Tuggle opened the floor to any public comments before proceeding to a motion to adopt.
 - Sara Houston, Executive Director, Protect Our Aquifer, supported the ordinance, stating that these rules are about best practices, risk management, and responsible stewardship. Ms. Houston stated that it sets a positive precedent for sustainable development. As the next implementation phase moves forward, Protect Our Aquifer would like to know how the rules will be monitored, enforced, and put into action. Ms. Houston mentioned the long distance to Nashville and encouraged keeping Board meetings in West Tennessee, closer to the site and the affected populations. Ms. Houston thanked CEO Bright for guiding this process with all the various stakeholders. Ms. Houston stated that Protect Our Aquifer encourages a yes vote today and hopes the Board will also consider Category 4 in the future, once it is fully operational.
 - Chairman Tuggle asked if there were other public comments and observed there were none. CEO Bright made one amendment/correction to the resolution, and once the motion to adopt is made, the change will be included. CEO Bright referred to the red line on page 4, Section 4: (21) the location of any wellhead protection areas located in whole or in part, ~~the boundary of which comes within 250 feet of~~ on the property ~~line~~
 - Chris Richards recognized the considerable effort that went into developing this document. She also recommended establishing an annual review as part of the Board's regular schedule to help ensure that the document's intent is being met.
 - Chairman Tuggle asked for a motion to approve the zoning amendment with the change described by CEO Bright.
 - Motion to approve by Ms. Richards

- Seconded by Ms. Hardy
- CEO Bright expressed his appreciation to all the stakeholders involved, including CAESER, POA, Ford, and its legal team, as well as the MAWT's legal team.
- Michael Banks asked if it just applies to the footprint of the Megasite. CEO Bright confirmed that it did and added that outside of the footprint would be up to the county.
- In a roll call vote, the motion passed.
- Approval of Terms of Service, Policies, and Rates for Water and Wastewater (Follow-Up)
 - CEO Bright stated that this item and the rates were discussed at the May meeting. The rates presented are an 80% reduction to the depreciation established for the overall rates the Board set last August. Based on a recommendation from the Comptroller's Office, this 80% reduction will remain at least until the end of this year, and then it can be revisited. Part of the document approved in May addressed the reconsideration of depreciation. After review, State stakeholders decided not to take any action beyond what the Comptroller's Office does for the other 450 municipalities across the State. CEO Bright recommended moving forward with the rates as presented and potentially revisiting those at the end of this calendar year.
 - Chairman Tuggle asked for a motion to approve the Terms of Service, Policies, and Rates, then have a discussion.
 - Motion made by Mr. Duke
 - Seconded by Commissioner Bryson
 - Chairman Tuggle asked for questions or comments.
 - Mayor Huffman noted that 80% is a lot and asked if it was forgiven or deferred. CEO Bright confirmed it is deferred, and at some point, there will be a true-up.
 - In a roll call vote, the motion passed.
- Approval of Pitman Construction Laydown Yard
 - CEO Bright stated Pittman Construction is a subcontractor to Ford Construction, which is doing road revitalization around the Megasite for the County, and in this case, Keeling Road. This company needs a temporary laydown area on the State property near the water treatment plant in the gravel lot. Mr. Bowles prepared a document to allow them access to the property, and the Board's approval is needed.
 - Chairman Tuggle clarified that the requested action is to authorize the CEO to negotiate and execute the agreement. Asked for a motion to approve.
 - Motion made by Mr. Banks

- Seconded by Mayor Bowden
- In a roll call vote, the motion passed.
- Treatment Plant Discussion
 - CEO Bright also reported a discussion about the treatment plant at the depreciation meeting he attended. CEO Bright stated the Megasite Authority's main mission was to get the plant built and operating, which has been done. Currently, the Megasite Authority owns it and operates it through a third-party consultant, with a five-year agreement. CEO Bright expressed interest in exploring whether the Megasite Authority is interested in the long-term business of owning and operating a water and wastewater treatment plant.
 - Mr. Bowles stated that under the Megasite Authority Act, the Megasite Authority has a few specific powers that were important to the initial negotiations with Ford and the MOU:
 1. Payments in Lieu of Taxes - The lease arrangements were for a term of 30 years, and specific to the portion of the Megasite that Ford is leasing under multiple different leases, all with that same termination date.
 2. Separately from that, the Megasite Authority has the power to and currently is operating a water and wastewater authority, and that is a separate power unrelated to that 30-year timeframe. The reversion at the end of that timeframe is not a hard and fast timeframe, nor is it self-implementing. There is a purchase option where Ford can acquire the property for a nominal sum, which would effectively put it back on the tax rolls because they would then be private owners of property within Haywood County. That particular parcel, if purchased, would then be within the zoning regulations of Haywood County. It does not necessarily change the water and wastewater authority's ability to serve both private and state-owned portions of the Megasite. It was also discussed in the original negotiations that this water and wastewater authority could be separately sold by the Megasite Authority to any other party.
 - CEO Bright confirmed he is only exploring the possibility at this time. Chairman Tuggle asked for any questions or comments.
 - Mayor Huffman inquired about the depreciation schedule for the plant. CEO Bright mentioned being based on 40 years, but definitive timelines have not been established yet. A period of two years or more was mentioned, but it has much to do with when Ford completes Phase 1. Commissioner Bryson stated it seems prudent to explore options given that this was discussed during negotiations, and this is a complicated and unique situation. Ms. Richards voiced her support for exploring potential options. She added that the water/wastewater treatment plant might be an extraordinarily valuable asset to the communities adjoining the Megasite. The Board also heard input from an audience member, David Livingston. The Board agreed that the CEO should explore options.

- East Side Tenant Opportunity – Natural Gas Peaking Facility

- CEO Bright introduced Mike Knotts, President of the TN Power Distribution Company, to talk about the potential of adding a peaking plant next to the TVA substation.
- Mike Knotts introduced himself and stated he serves as the CEO of TECA and as the President of TPDC.

Mr. Knotts provided the board with a complete overview and a slide presentation, highlighting key aspects of operations, structure, and service.

Peaking Facility:

- The proposed site for a peaking facility is immediately north of the new TVA substation.
 - Peaking facilities operate during high electricity consumption periods, typically 10-20% of the time annually.
 - Example: Kolbert Combustion Turbine Plant in Alabama, consisting of three General Electric turbines.
 - Benefits of locating generation assets adjacent to a substation include improved voltage stability and reduced transmission interconnection distances.
 - Access to natural gas infrastructure is essential, and the natural gas pipeline ends near the proposed site.
 - Building a power plant and connecting it to the transmission grid involves several years of engineering, modeling, and demonstrating technology and interconnection feasibility before construction can begin.
- There was an open discussion, and the Board acted informally to indicate it is open to further conversations and gathering additional information. The Board requested that information be received as completely and as early as possible so that there is ample time to study it. The Board also encouraged involvement from Haywood County, as well as SBC approval if necessary. The Board asked if examples of other ground leases that have been used could be shared as a starting point. The Board expressed an intent to work diligently between this meeting and the September Board meeting to possibly be ready to offer a more formal approval.

- Public Comments

- There were no additional public comments.

- Other Business

- Jim Duke presented that Haywood County is interested in acquiring a parcel for a future Sheriff substation and county services building. He plans to present a formal proposal at the September meeting. There is no formal request today. Christy Allen stated this would not require SBC approval, and the Board adopted a policy governing donations of property that would be referenced.

- Chairman Tuggle asked if there was a motion to adjourn.
- Motion by Mr. Banks
- Seconded by Ms. Richards
- A voice vote was taken, and all present voted in favor. One member had left the meeting before the vote. Meeting adjourned.

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