

TACIR

**The Tennessee Advisory Commission
on Intergovernmental Relations**



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MINUTES OF THE TENNESSEE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS

June 29, 2011

MEETING CALLED TO ORDER

The Tennessee Advisory Commission on Intergovernmental Relations met in room 30 of the Legislative Plaza at 1:02 p.m., Chairman Senator Mark Norris presiding.

Present 19

Mayor Tommy Bragg
County Mayor Ernest Burgess
Mr. Charles Cardwell
Mr. Rozelle Criner
Representative Vince Dean
Mayor Brent Greer
Representative Curtis Halford
Alderman Bob Kirk
Senator James Kyle
County Mayor Kenny McBride
Mayor Keith McDonald
Senator Randy McNally
Speaker Emeritus Jimmy Naifeh
Senator Mark Norris
Mayor Tom Rowland
Representative Charles Sargent
Senator Jim Tracy
Mayor Larry Waters
Comptroller Justin Wilson¹

Absent 5

Ms. Paula Davis
Senator Douglas Henry
County Executive Jeff Huffman
Representative Gary Odom
Mr. Tommy Schumpert

¹ Phillip Doss represented Justin Wilson.

1. Call to Order and Approval of February 2011 Minutes

Chairman NORRIS called the meeting to order at 1:02 p.m. and asked for approval of the minutes. Vice Chairman ROWLAND made a motion to adopt the minutes. The motion was seconded by Representative DEAN. The minutes were approved.

2. Commission Updates

a.) Introduction of New Member

Chairman NORRIS recognized and welcomed TACIR's new Commission member, Representative Curtis HALFORD.

b.) Introduction of Intern

Chairman NORRIS introduced TACIR's summer intern, Bartie SCOTT.

c.) Election of Officers

Vice Chairman ROWLAND opened the floor for nominations for Chairman. Alderman KIRK nominated Senator NORRIS. Representative SARGENT seconded the motion. There were no objections to the motion. Senator NORRIS was reelected by unanimous voice-vote.

Chairman NORRIS opened the floor for nominations for Vice Chairman. Mayor BRAGG nominated Mayor ROWLAND. Representative DEAN seconded the motion. Mayor ROWLAND was reelected by unanimous voice-vote.

3. Presentation by Mr. Bill TERRY, Senior Research Consultant, TACIR, on New Legislation Referred to TACIR

Mr. TERRY gave explanations of the five bills and two resolutions referred by the legislature to TACIR for study. SB 347/HB 125 was sponsored by Representative SARGENT and Senator HAYNES and addresses extraterritorial zoning. Extraterritorial zoning is the extension of the zoning authority of a municipality into its urban growth boundary outside of the corporate boundary. Mr. TERRY pointed out that this is a controversial subject. The bill was referred at request of the sponsor by the House General Sub-Committee of State and Local Government.

Mr. TERRY told the Commission that the second bill is the result of an incident that occurred during a door-to-door campaign in Representative BROWN's district when a campaign worker was met at the door of a house by a resident with a loaded gun. Representative BROWN requested that a study be done to find a solution to this problem. SB 2035/HB 779 requires law enforcement officials to make a reasonable effort to have a visible presence during a

scheduled campaign. The bill was referred to TACIR by the House General Sub-Committee of State and Local Government. The Senate sponsor is Senator FORD.

The third bill, SB 1872/HB 472 sponsored by Senator KYLE, requires the state election coordinator to study the feasibility of permitting registered voters who reside outside the precinct listed as their permanent residence to vote in all statewide elections. The bill passed the Senate, but was sent to TACIR for study by the House General Sub-Committee of State and Local Government. The House sponsor is Representative PITTS.

Senator KYLE said there is technology available today that allows citizens to vote at a number of sites throughout the county. He said technology should also be able to allow citizens outside the county to vote in any election they choose without having to apply for an absentee ballot. He said this process should occur in the early voting process and will encourage, rather than discourage, people to vote regardless of where they are in Tennessee.

Chairman NORRIS pointed out that all the bills presented today are in various forms of evolution. Some of the bills were referred after legislative action, and some are in subcommittee action. He recommended that TACIR look at all the proposed bills since it has the ability to do so at this time.

Mayor MCDONALD said while he does not object to TACIR studying SB 2035/HB 779, he believes it requires a definition of "reasonable effort" for the purpose of enforcement. He also asked if Senator KYLE's bill affected federal elections. Senator KYLE said it addressed all statewide elections, which includes federal elections.

Mr. TERRY next discussed two additional bills. SB 830/HB 1295 by Representative HENSLEY and Senator SUMMERVILLE addresses a utility district in Lawrence County. Mr. TERRY pointed out that board members are currently appointed by the county mayor and the bill proposes that boards be elected by customers. SB 500/HB 479 by Senator BURKS and Representative CURTISS addresses a utility district in White County and directs it to change the manner in which vacancies are filled by conducting an election of commissioners. Both bills passed through the House and committee system and were referred to TACIR by the Senate State and Local Government Committee.

SJR 103 by Senator MCNALLY passed through the Senate, but not the House. This resolution came out of Oak Ridge regarding temporary housing built for workers in the 1940s during the Manhattan Project. The housing units were not removed and are now privately owned, some occupied and some vacant, causing blight in the area. The bill proposes an investigation into solutions to help local governments solve the problem of blight.

Chairman NORRIS commented that blight has affected Shelby County and has been effectively dealt with in the area, creating resources for TACIR to use in this study. Mr. TERRY reported he has made a contact in the Memphis area to discuss possible solutions to the problem of blight.

Mr. TERRY discussed HJR 204 by Representative HAYNES which passed through the House, but not through the Senate. This resolution addresses the funding of paid and volunteer fire services, but only in areas of the state with volunteer fire service, subscription fire service, or no fire service. Chairman NORRIS pointed out that the bill did not get the chance to pass through the Senate, but he believes it is worthy of TACIR's consideration. He is looking forward to TACIR's work in all these areas and believes the referred bills have short fuses.

4. Presentation by Mr. Cliff LIPPARD, Associate Executive Director, TACIR, on TACIR's Fiscal Year 2012 Work Program

Mr. LIPPARD presented "Today and Tomorrow: TACIR's Fiscal Year 2012 Work Program" for approval. He reviewed new and previous legislative research requests, recurring mandates, and staff-initiated projects. He noted that the study of fire service funding requested by HJR 204 was not in the draft work program, but would be added per the guidance of the Commission. Mr. LIPPARD distinguished between staff-initiated projects (those that are recommended by TACIR staff members) and mandated projects (those that are requested by legislators or other officials). Mandated projects are higher priority projects than the staff-initiated projects.

Chairman NORRIS noted that he has heard questions and concerns from members regarding staff-initiated projects. He observed all TACIR reports are held in high regard no matter the origin. The problem is that while there is a disclaimer distinguishing staff reports from Commission reports, it is not always clear to the public which reports are Commission reports and which are staff-generated.

Mr. LIPPARD responded that the staff has beefed up the disclaimer to make the distinction more clear. He also commented that the policy of the Commission since the previous work program is that all staff-generated research proposals be vetted by the Commission. The only staff-initiated project not pre-approved in the work program would be "pop-up" requests from legislators and other officials. He noted that those are usually not really reports, but simple requests for information. Mr. LIPPARD also noted that all staff-initiated projects in the current program are carry-overs from the 2011 program and have already been vetted.

Senator KYLE commented that if the General Assembly or the Commission asks staff to look at something, staff should do so. He added that there needs to be vetting by the Commission of any staff-generated research ideas. He observed that while staff may get the praise for any good ideas, the members are the ones

held responsible for any problems. He added that the staff is the agency and the members are the principals.

Mr. LIPPARD agreed and noted that is why staff-initiated research is included in the program. He directed the members to the list of fiscal year 2011 accomplishments and requested approval of the work program.

Chairman NORRIS interjected that the TACIR website has a tremendous wealth of knowledge and data and that the Commission needs to encourage people to use it as a resource.

Vice Chairman ROWLAND commended the staff and Commission on the achievement of a 97% favorable rating in the agency's performance measurement.

Mayor MCBRIDE made a motion to adopt the work program. Mr. CARDWELL seconded the motion. The Commission approved it unanimously.

5. Presentation by Ms. Catherine CORLEY, Senior Research Associate, TACIR, on Building Tennessee's Tomorrow: TACIR's Infrastructure Report

Ms. CORLEY stated that the information in the current report is based on the 5-year period from July 2009 through June 2014. The infrastructure needs reported in this inventory amount to a total estimated cost of \$37.6 billion, which is a \$269 million increase since the previous inventory. That increase is the smallest in the inventory history. She stated that infrastructure needs in major categories increased but the largest total increase was in the Transportation and Utilities category and specifically in transportation. Transportation is the largest category, comprising 50% of the total needs reported. Transportation needs reported increased by \$604 million. The needs in the Economic Development category also increased significantly. The increase is largely from business district development needs and one project—the Nashville Convention Center—accounts for most of the increase of \$170 million. Ms. CORLEY noted that even though the dollar amount of transportation and business district development needs increased, needs in other categories decreased by more than \$100 million. These types of needs are public buildings, water and wastewater, new school construction, and law enforcement. Combined, they all decreased by more than \$100 million.

Ms. CORLEY discussed public infrastructure funding, noting that the total amount of funding available for needs in the inventory is \$10.9 billion, leaving \$18.4 billion (63%) in unfunded needs. This is an improvement over the 69% that was unfunded in the previous inventory. She said that of the \$10.9 billion available, \$10.3 billion is for needs that are fully funded while the remaining amount is for needs that are partially funded. She stated that housing is the only type of need

that is 100% funded. It is also the category with both the lowest number of needs and the lowest estimated cost.

Ms. CORLEY discussed infrastructure needs at existing schools stating that infrastructure needs at public schools have decreased for the third consecutive inventory. Even though those needs decreased by approximately \$137 million, nearly \$3.5 billion in needs still remain. She said that there was an increase of 16 new schools between the 2008 and 2009 inventories and that coincides with decreases in new school needs in the inventory. She noted that it is reasonable for the numbers to continue to decline in the future inventories unless enrollment growth returns to previous levels.

Chairman NORRIS requested that the infrastructure discussion be continued the following day so Commissioners have the opportunity to review the large amount of material in the report.

Senator KYLE mentioned that the fact that there is now less need for schools is all contrary to all the information they get when they are in session.

Representative SARGENT said that in Williamson County there is a great need for new schools. He also asked for an explanation about why 91% of the schools are said to be adequate when so many are seen as inadequate. Ms. CORLEY stated that would be discussed the following day.

Mayor MCDONALD stated that he had a few requests for discussion on the following day. He asked about factors that drive the decline in K-12 student membership. He wanted to know what impact private schools, home schooling, and birth rates have on the decline of student membership. He also asked for the definition of 'adequate' when in terms of school ratings.

Mayor MCDONALD also asked for the number of school systems that did not report on their schools since a lot of counties are reported as zero or non-reported. Ms. CORLEY said that all school systems report on their schools.

Ms. CORLEY discussed public infrastructure at the county level noting that the totals for estimated cost for projects in this analysis are smaller because they exclude regional projects. She said that consistent with previous inventories, tax base factors and income correspond more closely to infrastructure needs reported than do population factors. However, total population and population density are good predictors of infrastructure needs reported. She noted that for the first time in the inventory history, needs at the county level analysis decreased. The total decrease was \$1.3 billion and \$925 million of that amount occurred in the counties with the largest reported needs; Shelby County alone decreased \$500 million. However, two large counties, Hamilton and Sevier, increased by \$115 million or more so not all large counties had a decrease.

Mayor MCDONALD asked for the definition and examples of 'regional projects'. Ms. CORLEY said that regional projects are projects which serve residents in more than one county, for example, major highways and universities. Mayor WATERS asked if infrastructure forms are consistently filled out by the same people or if there are a variety of sources coming up with the same number. Ms. Corley said that the development district staff meets with a variety of people. They meet with every mayor and every school superintendent and keep the same contacts from year to year but there are a variety of people that complete the information on the forms. She also noted that the development district staff has good relationships with the survey respondents.

Chairman NORRIS called for the discussion to be continued the following day.

6. Presentation by Dr. Rose NACCARATO, Senior Research Associate, TACIR, on Fiscal Capacity for Fiscal Year 2012

Dr. NACCARATO presented TACIR's fiscal capacity calculations for the 2011-2012 fiscal year. She explained that TACIR's model makes up 50% of the fiscal capacity number used in the BEP and a model calculated by the Center for Business and Economic Research (CBER) at UT Knoxville makes up the other 50%. The BEP is supposed to eventually transition to using CBER's calculation for 100% of fiscal capacity, but some other funding has to accompany that change and that funding is not currently available. For the foreseeable future, both will be used for 50% of the final fiscal capacity number. The TACIR model tends to assign a higher capacity to cities than the CBER model, while the CBER model tends to assign a higher capacity to less populous rural areas than does the TACIR model.

Mayor MCDONALD asked why spending remains so disparate despite the BEP and Dr. NACCARATO responded that the amount detailed in the BEP is the minimum spending amount. It is not generally considered to provide an adequate education despite the fact that this was the basic idea.

Mayor WATERS asked why Sevier County gets so little in per capita reimbursement even though its per capita income is low. Dr. NACCARATO responded that the sales tax base component of the formula credits Sevier County with access to its sales tax base that it cannot access because it remains in the cities. But it would not make sense to remove the sales tax base from all of the counties' formulas because most counties rely heavily on the sales tax for schools.

Speaker Emeritus NAIFEH asked what happened in 2008 that changed the numbers. Dr. NACCARATO explained that 2008 is when the BEP 2.0 took effect, meaning that the two models were used in conjunction. The TACIR model looks at property and sales tax bases, per capita personal income, tax exportability, and service burden. The CBER model relies solely on property and

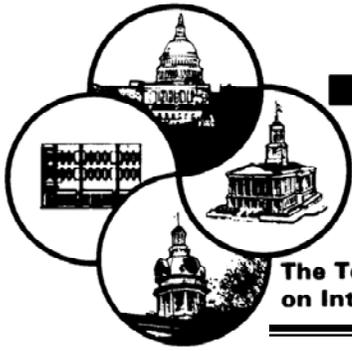
sales tax bases. Eventually the BEP will be based on the CBER fiscal capacity calculation only.

Dr. GREEN pointed out that the TACIR model is not as complicated as sometimes presented. It just makes use of a statistical model, which is not something everyone is familiar with. He said that there is no perfect way to measure fiscal capacity. Everything used in both models is an estimate, and these estimates, while scientifically derived, are not perfect.

Representative SARGENT asked about capital expenditures funded by debt. Dr. NACCARATO answered that this mostly affects the spending portion of the BEP done by the Department of Education rather than the fiscal capacity model.

Representative HALFORD asked how Gibson County was treated since it had no school system and has all special school districts. Dr. NACCARATO responded that in all counties with multiple school districts the data from the districts is added together and treated as if it were all one county district. She said staff would have to look into what effect, if any, that has on final fiscal capacity, but that any effect would be on all multiple-district counties.

Chairman NORRIS adjourned the meeting at 2:19 p.m.



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MINUTES OF THE TENNESSEE ADVISORY COMMISSION ON INTERGOVERNMENTAL RELATIONS June 30, 2011

MEETING CALLED TO ORDER

The Tennessee Advisory Commission on Intergovernmental Relations met in room 30 of the Legislative Plaza at 8:34 a.m., Chairman Senator Mark Norris presiding.

Present 18

Mayor Tommy Bragg
County Mayor Ernest Burgess
Mr. Charles Cardwell
Mr. Rozelle Criner
Representative Vince Dean
Representative Curtis Halford
Senator Douglas Henry
Alderman Bob Kirk
Senator James Kyle
County Mayor Kenny McBride
Mayor Keith McDonald
Speaker Emeritus Jimmy Naifeh
Senator Mark Norris
Mayor Tom Rowland
Representative Charles Sargent
Senator Jim Tracy
County Mayor Larry Waters
Comptroller Justin Wilson²

Absent 6

Ms. Paula Davis
County Mayor Brent Greer
County Executive Jeff Huffman
Senator Randy McNally
Representative Gary Odom
Mr. Tommy Schumpert

² Phillip Doss represented Justin Wilson.

1. Call to Order

Chairman NORRIS called the meeting to order at 8:34 a.m.

2. Presentation by Ms. Catherine CORLEY, Senior Research Associate, on Public Infrastructure Needs in Tennessee

Chairman NORRIS stated that Ms. CORLEY would address the questions from the previous day. He recommended that the Commission consider approving the report after the discussion.

Senator HENRY asked Ms. CORLEY to state the total cost of all projects in the inventory. Ms. CORLEY said that total needs are estimated at \$37.6 billion for the five year period from July 2009 through June 2014. She also said that the \$37.6 billion is only a \$269 million dollar increase from last inventory. Previous increases have been in the billions.

Ms. CORLEY made reference to charts and tables provided to answer questions from the previous day. She also referred to printouts from the TACIR public infrastructure user guide for definitions and examples. She noted that TACIR staff can answer all questions but the analysis required to answer some questions may take time.

Mayor MCDONALD mentioned that there is a need for more consistency in reporting. The information he hears about school needs at home is different from what he sees in the reports. Ms. CORLEY stated that TACIR has specific guidelines to follow when rating the schools. She noted that different elements are used to rate the overall school condition and individual components of the school. The result is that while school officials may rate the entire building as good, there could be several individual components of the school such as a library or gymnasium that is in need of improvement. Mayor MCDONALD also noted that he hears about recreation needs increasing, which is contrary to what the report says.

Chairman NORRIS said that the report shows that the rate of increase has slowed not that the need has decreased. Ms. CORLEY stated that there were a significant number of cancelled projects and that number of cancelled projects was much higher than in the previous inventories.

Chairman NORRIS mentioned that the stimulus funds did not seem to have a dramatic impact on infrastructure. Ms. CORLEY said that based on the information collected, stimulus funds did not seem to have the dramatic impact that was anticipated. There were however significant increases in both state and federal funding which is likely related to the stimulus funds. It is also possible that some local officials may not have understood that the money they got from the

state was from the stimulus and therefore sources of funds were not notated properly.

Chairman NORRIS requested an explanation of the reference to plans to make data accessible to the public. Ms. ROEHRICH-PATRICK stated that when requests for information about particular local needs are made to TACIR they are referred to the development district staff because they have more specific information about the projects. TACIR hopes to create internet access to all the data and make it available to the general public and to the other researchers. In the future, she hopes to create a peer comparison process that, for example, would allow comparing local areas' infrastructure needs based on particular characteristics that would identify peer cities or counties. Chairman NORRIS asked if TACIR has enough resources for this process, such as personnel. Ms. ROEHRICH-PATRICK stated that TACIR should be able to do it with existing staff and funds currently held in TACIR reserves. Chairman NORRIS suggested an update about this at the September meeting.

Chairman NORRIS requested that the handouts that Ms. CORLEY presented be included in the appendix of the report. He then called for a motion to adopt the report. Mayor BRAGG made the motion; Vice Chairman ROWLAND seconded.

3. Presentation by Ms. Reem ABDELRAZEK, Senior Research Associate, TACIR, on the Non-affiliated Public Safety Answering Points Study

Ms. ABDELRAZEK explained that Public Chapter 473 directed TACIR to perform a study of the impact on public safety of Public Safety Answering Points (PSAPs) not affiliated with an Emergency Communication District (ECD). The report is to be delivered to each member of the House and Senate Government Operations Committee by December 1, 2011.

Ms. ABDELRAZEK provided an update on the project since the last Commission meeting. Since that time staff has contacted and interviewed all stakeholders in this project and begun writing the report draft. Some preliminary findings include: consolidation of Etowah Police Department with the McMinn County ECD, most non-affiliated PSAPs use regular ten-digit phone lines for emergency calls, most PSAPs believe they offer sufficient service and feel consolidation does not fit with their community's needs, two of the main concerns include callers repeating information and dropped calls, and there is no statutory definition of PSAP in the Tennessee Code.

Vice Chairman ROWLAND asked for clarification regarding where a call is delivered when dialing 911 and gave the example of calling 911 in the city of Athens. Ms. ABDELRAZEK answered that Athens is a special case because it has a 911 controller (that allows for number and location information to be sent from the ECD) but that in general, the call will go through to the local ECD and is

then either dispatched or transferred to the appropriate dispatching entity. She further explained the only instance in the state that she has come across in which a caller can dial 911 and not reach an ECD is in the city of Spring Hill.

Vice Chairman ROWLAND asked if non-affiliated PSAP calls go to 911, and Ms. ABDELRAZEK answered no, they do not. She then explained that some residents choose to call non-emergency phone numbers for emergency response in some of the smaller cities and counties. The reason residents choose to dial a non-emergency line is because they know they will reach their local law enforcement agency, as opposed to the 911 center, which may be in a different city or part of the county than the caller. Vice Chairman ROWLAND asked if the delay was just a matter of seconds in such situations. Ms. ABDELRAZEK responded yes and then explained that there is a concern that in some instances, the ECD will take the call and details of the emergency, and when the call is transferred to a PSAP, the caller has to repeat their information again. While it is an area of some concern, it has not been a serious issue raised in the interviews.

Mayor MCDONALD said that affiliation was a point of contention in Shelby County. He explained that Bartlett belongs to their local ECD, but has its own answering system separate from Memphis and Collierville, and also receives funding from its ECD. He asked if the non-affiliated PSAPs receive funding from 911. Ms. ABDELRAZEK explained the TECB has strict guidelines for distributing its 911 funds, and therefore most of the non-affiliated PSAPs do not qualify for 911 funds and are funded through federal grants and their local government(s). Mayor MCDONALD said they encourage their residents to dial a local phone line to report non-emergencies to keep the 911 lines open and there are a number of cities who do the same. Ms. ABDELRAZEK concurred that most of the calls coming in on non-emergency lines are non-emergencies but that in some instances, interview respondents suggested residents do report emergencies on local, non-emergency numbers.

Speaker Emeritus NAIFEH asked why PSAPs would not want to affiliate with their local ECD. Ms. ABDELRAZEK explained that one of the reasons is because it would result in job loss (the dispatcher taking the calls) in the PSAP, which was the most common answer in the interviews. Another reason some PSAPs are not affiliated is political in nature. In some cases the ECD and local officials do not get along, in other cases the PSAP wants to maintain its right to dispatch. An additional reason is the financial burden that would be placed on the PSAP if it affiliated because they have to pay the ECD a fee for its services.

Speaker Emeritus NAIFEH asked if the non-affiliated PSAPs receive money from the ECDs. Ms. ABDELRAZEK said they do not receive money from the ECDs. Between Phase II compliance and Next Generation 911, the TECB does not have excess funds for distribution and they would like to make funding an incentive to affiliate with ECDs.

Speaker Emeritus NAIFEH asked if dispatchers at non-affiliated PSAPs also have other responsibilities and does that have a negative impact during an emergency situation. He requested examples. Ms. ABDELRAZEK explained that based on the interviews, the majority of the PSAPs who have multi-functioning dispatchers are smaller cities and counties who do not receive a high volume of emergency calls. She further explained that the issue did not seem to be a major concern for either the PSAPs or the ECDs. The PSAPs typically have a line dedicated to calls that are transferred from the ECD and therefore, when a call comes in on that line, they know immediately that it is a 911 call. Speaker Emeritus NAIFEH asked in particular about the Franklin Police Department, given that is a large department. Ms. ABDELRAZEK said that is one of the few PSAPs at which she had not been able to reach an official.

Senator HENRY asked if the stationary emergency call boxes located in downtown Nashville are considered PSAPs. The answer is no. Senator HENRY suggested that a statutory definition of PSAP should be submitted to the Commission for consideration, per the preliminary findings in Tab 7.

Chairman NORRIS asked Ms. ABDELRAZEK why it was important to have a definition of PSAP in the Tennessee Code. She answered that it would be helpful moving forward if there were clear categories of each entity in emergency communications. Several of the PSAPs interviewed did not even consider themselves PSAPs and as such, there is a discrepancy between what they think they are and what the TECB considers them to be. If TACIR staff recommends that any 911 call should be delivered to either an ECD or a PSAP with the most current technology available, it would be best for there to be a clear definition of a PSAP in the Tennessee Code. Chairman NORRIS agreed that is important and that the Commission would like to entertain a definition draft and incorporate wording from legal staff as well.

Mayor MCDONALD said he does not support consolidating PSAPs into one location as a wholesale solution. He said that while their dispatchers are in the same building as the jail, they do not miss emergency calls. He wanted to clarify that the PSAP does not need to be located in the same building as the ECD to be considered affiliated. Ms. ABDELRAZEK agreed and explained that some PSAPs have an ECD workstation in their own building and as such, are affiliated with the ECD without having their dispatchers in the ECD building. In other cases, the ECD building contains all of the dispatchers for that district. Ms. ABDELRAZEK said the responses collected thus far from interviews have not yet yielded sufficient justification to change current law.

Chairman NORRIS asked for clarification regarding the non-affiliated PSAPs and asked if Bartlett is affiliated with its ECD. Mayor MCDONALD indicated yes, it is affiliated but operates an independent dispatch center utilizing equipment that allows number and location information.

Chairman NORRIS asked if the Commission can anticipate a draft at the September meeting and Ms. ABDELRAZEK answered yes.

4. Presentation by Ms. Leah ELDRIDGE, Senior Legal Research and Policy Coordinator, TACIR, on the County Veterans Service Officer (CVSO) Compensation Study

Ms. ELDRIDGE noted that the Tennessee House of Representatives State and Local Government Committee referred SB 1336/HB 895 to TACIR for study last year. She explained that the bill would require the salary of County Veterans Service Officers (CVSOs) be no less than the average pay of department heads of general government. Ms. ELDRIDGE stated that county governments currently set the salary of CVSOs.

Ms. ELDRIDGE reviewed the results of the TACIR staff's October and November 2010 survey of CVSOs. She also summarized the research on how veterans service officer positions are funded in other states. Ms. ELDRIDGE concluded her presentation by stating that the CVSOs are dedicated, hard-working individuals committed to helping the veterans of this state secure the benefits to which they are entitled. She said that the CVSOs are individuals that deserve to be adequately compensated for their services to veterans and the community.

Ms. ELDRIDGE noted that SB 1336/HB 895 came about at a time when counties were still affected by the economic downturn. She said that this bill would require counties to raise the salary for a CVSO when counties have already instituted salary and hiring freezes and laid off county employees due to declining revenues. Ms. ELDRIDGE stated that the law does not require counties to employ a CVSO. She said that if this legislation passed, it is possible some counties would do away with CVSOs altogether, which would not be in the best interests of the veterans.

She stated that it is difficult to balance the interests of counties with those of the CVSOs and the veterans they serve. Ms. ELDRIDGE noted that the staff report does not offer a specific recommendation on SB 1336/HB 895. She said that instead the staff offers some points for the legislature to consider:

- Before initiating any change in pay scale, the legislature should consider requiring the CVSOs in conjunction with Tennessee Department of Veterans Affairs to provide detailed information on the operations and workload in each county they serve.
- Any pay scale that is adopted should relate to the numbers of veterans in each county.

Senator TRACY made a motion to move the report to September in order to give the Commission a chance to hear from the Commissioner of Veterans Affairs on

the issue. Vice Chairman ROWLAND seconded the motion. The motion was approved by the Commission.

5. Presentation by Ms. Lynnise ROEHRICH-PATRICK, Associate Executive Director, TACIR, on Water Supply Shortage Concerns

TACIR began looking at the issue of water supply shortages several years ago, primarily because of the 2007 drought. Since that time, attention has continued to be given to water shortage issues. Ms. ROEHRICH-PATRICK addressed two main issues: unserved areas and areas that are outstripping their water supplies.

Unserved areas were a concern long before the 2007 drought. In 2005, the Tennessee Department of Environment and Conservation (TDEC) issued a report addressing the needs of unserved rural areas. In that report, TDEC surveyed Tennessee's rural areas and determined the needs across the state.

Providing water to rural areas presents several challenges. Some sparsely populated areas lack public water systems because they are harder to serve. Water lines in rural areas are used less often, increasing the potential for contamination. Natural organic matter also exists in water lines. Chlorine is used to disinfect the water, but it can react with existing substances and produce harmful byproducts as the water travels to consumers. Treated water must be delivered to end users as quickly as possible to ensure that the water doesn't degrade. In rural areas, it becomes necessary to flush water lines more often to ensure good water quality. This leads to increased water usage and higher costs.

At the time of the 2005 report, TDEC's ballpark estimate was that \$50,000 to \$150,000 would be required per mile of rural water line, excluding operating costs. Among the expenses of serving rural areas are reading meters and the costs of getting vehicles and staff to the necessary locations. Costs to serve rural areas also include operating and maintaining pumps and tanks to keep the water moving, staff, electricity, and depreciation. All of these costs are incurred with extensive lines and tanks. With so few customers, this is not cost-effective. There are a number of ways to reduce costs. Options include automatic meter reading, automatic line flushing, and remote monitoring. Many utilities across the state are adopting these methods.

At the other end of the spectrum are areas of high growth. Last year, floods affected Nashville. This year, areas along the Mississippi River and in West Tennessee were affected. Typically, rainfall in Tennessee averages between fifty and fifty-five inches per year. This varies across the state. Areas near the Smoky Mountains may see average rainfall of up to eighty inches per year. But not all rainfall makes it into the water supply. Also, it does not necessarily fall at the right time. Even in areas with reservoirs (where water may be stored for a while), the reservoirs aren't big enough to hold all of the water that comes during periods of heavy rainfall. The reservoirs probably can't be made big enough because of the

amount of land that would need to be dedicated in order to do so. Some water will wash down to the Mississippi River and the Gulf Coast. Some water is lost to evaporation or infiltration into the groundwater.

Ms. ROEHRICH-PATRICK showed a diagram of the Cumberland River system, illustrating the difference between the two types of lakes there. The main-stem lock and dam projects don't have any long-term storage. Water supply storage is in Lake Cumberland and the tributary reservoirs. With no long-term storage for water supply in those main-stem projects, Old Hickory Lake, which is the main source of water for Sumner County, and Cheatham Lake, which is the main source for Ashland City and Nashville, depend on the water that flows through them, the inflows in the local areas, and, the Corps suspects, on releases from tributary lakes. This is a key issue.

Various projects in the Cumberland River system were authorized for specific purposes, including flood control, navigation, and power supply. Water supply storage was an added purpose under the federal Water Supply Act of 1958 (the Act). The Act authorized reallocations from the earlier purposes, but it requires the Corps to charge for the storage. Reallocations can be made only at lakes with long-term storage. So main-stem lock and dam projects like Cheatham, Old Hickory, and Cordell Hull would be excluded. Ms. ROEHRICH-PATRICK provided information about the acre-feet that have been allocated to each utility and the dollar amount that was charged—a key issue. What's allocated is storage (not water). One issue is how much water will be available to serve citizens and businesses. The Corps is conducting a water allocation study to learn more. This issue was recently identified through the work of the Water Resources Technical Advisory Committee in the regional water supply planning study for Sumner County.

While the Corps is studying water availability in Old Hickory Lake, there is a moratorium on new intakes and on increased water withdrawals from Old Hickory Lake. There is plenty of water there. The questions are where the water comes from and whether we are supposed to reallocate and charge for it. Ms. ROEHRICH-PATRICK listed the authorized purposes for Old Hickory Lake. It is a typical lock and dam project. Water supply intakes are permitted there, but there are no water supply allocations.

Carrying capacity and limiting factors are two main considerations. Carrying capacity is an issue of how much population of any particular species a particular environment can support. Limiting factors influence the ability of a population to grow. We have learned that one of the limiting factors in the eastern U.S. and in a place with 50 inches of rainfall per year is water supply.

The Corps expects to complete its reallocation study for Percy Priest and submit a report to headquarters by January 2012. If the Corps can reallocate all of the water from power supply or the entire amount that the utilities say they need,

power supply would generate 63.6 million gallons per day. We believe the utilities have asked for around 60 million gallons per day. So the request would not require all of it. This could meet the needs as they are projected now. But if the new model and estimates are accurate, we're going to come up short by 2030.

Vice Chairman ROWLAND asked whether putting fluoride in water is still required by referendum. Ms. ROEHRICH-PATRICK deferred to Mr. Alan SCHWENDIMANN, TDEC's Director of Water Supply. Mr. SCHWENDIMANN responded that about 90% of the public water systems in Tennessee currently add fluoride to their water. In the past legislative session, a law was passed to the effect that if a community or public water system decided to cease adding fluoride to the water, it would have to provide notification to the customers.

Vice Chairman ROWLAND asked if three communities were participating in a consolidated water supply and two wanted fluoride and one did not, how that would be addressed. Mr. SCHWENDIMANN stated that there is no state or federal drinking water regulation or mandate that requires the addition of fluoride.

Mayor BURGESS commended Ms. ROEHRICH-PATRICK and TACIR on this report. He stated that this is an extraordinarily important project for all of Tennessee. This is the kind of thing that makes TACIR so important and critical to this state.

Senator HENRY asked whether the final decisions on the water reallocation questions are made by the Corps or TVA. Ms. ROEHRICH-PATRICK stated that they are determined by the Corps. Senator HENRY asked if the only option is to persuade the Corps to reallocate. Ms. ROEHRICH-PATRICK responded that there is a process in the Water Supply Act that the Corps goes through, and the Commander has discretion to reallocate up to 15% of the pool in any particular reservoir or 50,000 acre-feet. Amounts over that require Congressional authorization. Senator HENRY made the point that federal permission is required to redirect water use, so if we decide that a certain allocation is needed, all we can do is submit a request to the Corps. Senator HENRY then asked what TDEC's relationship is with the Corps and directed the question to Commissioner MARTINEAU. Commissioner MARTINEAU stated that TDEC has a good working relationship with the Corps. They often work together in terms of permitting issues and have an on-going dialogue. While TDEC has authority to allow withdrawals from other streams, the ultimate decision at Corps reservoirs is the Corps' to make.

Chairman NORRIS responded to Senator HENRY's question as well. He noted that this is a draft in an on-going report and that no action would be taken today. But at the point that we do take some action, his understanding is that this is intended to be broader than just the Corps reservoirs. Chairman NORRIS noted that the Harpeth River was mentioned and that the state does have jurisdiction

over drawdowns and diversions there. Chairman NORRIS also mentioned issues in West Tennessee related to the aquifers there and the Mississippi River.

Ms. ROEHRICH-PATRICK responded that this is an example of the complexity of this issue. Senator HENRY's point is well made. This isn't something that the state has control over. Water supply is provided at the local level through local governments and utility districts. The state has a role with respect to some things, but the TVA and the Corps have discretion over the big lakes. Congress gave them certain authorization. One of the points staff wants to make is that as we approach the limits of the water supply that we either have now or the most that we think can be allocated, we need to start thinking about other things that we can do to be more efficient and make better use of water. This might include using less water per person. The state and local levels can control that.

Senator HENRY asked if we have a sudden drought in Nashville, can the state order less use of water in Davidson County. Ms. ROEHRICH-PATRICK stated that Metro-Nashville itself will do that. She noted that Representative SARGENT can talk about what Franklin had to deal with in 2007. Many areas had to order restrictions during the 2007-2008 drought. TDEC has created a new drought management plan and strategy and has worked with all of those local utilities to develop their own plans. Some utilities in the same county or utilities using the same sources are combining their efforts to produce one drought plan to be jointly implemented so everyone is working together to save water. The state creates the framework, works with local officials to help them get the best drought management plan they can, and helps them implement it. TDEC and the Tennessee Emergency Management Agency both help with this, but the plans are really local plans. Senator HENRY, returning to the point about the Corps' control and the Commissioner of TDEC's relationship with the Corps suggested that what the Commission can do is "load his gun," to which Chairman NORRIS responded, "it can't hurt to give him a little more ammunition." Ms. ROEHRICH-PATRICK noted that the requests for reallocations out of Percy Priest have gone from the utilities to the Corps directly; the Commissioner of TDEC does not have to take a position on the matter or advocate for it.

Representative SARGENT mentioned that in the late eighties or early nineties, we did away with the Columbia Dam Project in the interest of protecting an endangered species of fish that is now all over the countryside. In the late 1990s, we gave a lot of that land to counties and cities for state and city parks but reserved a couple thousand acres for a smaller dam there. Representative SARGENT asked if there is any discussion on that and how does that fit into a long-range plan. Ms. ROEHRICH-PATRICK responded that the Duck River Agency, which worked with the utilities in that area, considered that project as one of the alternatives in its multi-year process that involved engineering work, consultants, utilities, and communities all participating in an impressive water supply planning project. They considered Fountain Creek along with other options. They determined that instead of spending the resources to build that

dam, it made more sense to add another intake further down the river. She believes they also considered raising Normandy Dam.

Representative SARGENT asked who made the decision: regional, state, or federal authorities. Ms. ROEHRICH-PATRICK responded that it was a local regional decision. She clarified by stating that the Duck River Agency is made up of local utilities. They collectively worked together to provide this analysis. TDEC and other state level entities supported them, but the locals completed their own study and made that decision. Mr. SARGENT asked whether locals will possibly determine the fate of Rutherford and Williamson counties, which will be serviced by the project as well. Ms. ROEHRICH-PATRICK stated that the project will possibly serve a tiny piece of Rutherford County, down in the Eagleville area. It will definitely have an effect on Williamson County. Spring Hill gets its water from the Duck River. She noted that they were a part of the process.

Chairman NORRIS asked if there were any other questions. He acknowledged that the project is still a work in progress and asked how much longer it will take. Ms. ROEHRICH-PATRICK stated that the hard part is figuring out how great to make the scope and how long to take to get the report out. In the meantime, we have good information that people would find useful now. She stated that one option is making this a series of reports instead of one large report. Chairman NORRIS asked about the extent of interaction with the University of Memphis Groundwater Institute (the Institute). Ms. ROEHRICH-PATRICK stated that it's not as much as we would like. The Institute is a member of the Water Resources Technical Advisory Committee, of which TACIR is also a member. But because that Committee had focused on the Grundy County area and the Sumner County area, the Institute has not participated as heavily in the process. Now that we have completed those studies, we will look at other needs across the state of Tennessee. TDEC is driving this process. We definitely have a strong interest in West Tennessee. Chairman NORRIS said that the Institute is a great facility, and the Commission will liaise where it can. He then welcomed Commissioner Robert MARTINEAU for the regional water supply planning update.

6. Regional Water Supply Planning: Final Report on the South Cumberland Study Area

a.) Mr. Robert MARTINEAU, Commissioner, Tennessee Department of Environment and Conservation (TDEC)

Mr. MARTINEAU introduced the water supply planning discussion and provided a brief summary about the progress that has been made on both the North Central and South Cumberland pilot reports. Both reports stem from the recent 2007-2008 drought and highlight the manner in which some communities not immediately adjacent to water resources can work together to meet their needs in a cost-effective manner. All of the technical work has been completed. Mr. MARTINEAU anticipates that a draft of the North Central report will be ready in

late July 2011. The South Cumberland pilot report has been completed. Mr. MARTINEAU thanked all of the partners who contributed to the study, including academic institutions and the Army Corps of Engineers. He commended Ms. ROEHRICH-PATRICK for her help in revising and editing the reports.

b.) Ms. Elaine BOYD, Director of Strategic Management, Tennessee Department of Environment and Conservation (TDEC)

Ms. BOYD provided an overview of the study team's work over the past two years. She explained that the two pilot regions were selected based on areas impacted in the drought of 2007. The study team focused on the supply sources for each area. Stakeholders were involved and meetings took place with members of the community. Ms. BOYD acknowledged the presence of Ken WILBER, mayor of Portland, with whom the study team worked during the project.

The two pilot areas are the North Central and South Cumberland regions. In North Central Tennessee, the focus was on Sumner County and a portion of eastern Robertson County. In South Cumberland, the primary focus was on Grundy County and small portions of Franklin, Marion, and Sequatchie counties.

The study team's goals were to sustainably match the water sources with both the current and future needs of the area. The team set a twenty-year planning horizon (from 2010 to 2030). This was a regional approach, involving multiple utility districts. The planning team was a partnership of state, federal, and nongovernmental organizations as well as academia. TDEC hopes this collaborative effort will be a model for statewide regional resource planning. Ms. BOYD thanked all of the partners for their contributions. She also thanked Ms. ROEHRICH-PATRICK and other staff at TACIR for their work in editing the South Cumberland pilot report.

Ms. BOYD noted that in both areas, the study team considered how much water could be obtained from each of the supply sources. The team then looked at population projections and used that to determine the amount of water that would need to be withdrawn through 2030. The differences between those two amounts formed the basis for the statements of need. The team looked at specific alternatives for each of the areas and evaluated them according to whether they could meet the projected needs. They also considered the relative costs, implementability (e.g., permitting issues), flexibility (e.g., whether it can be completed in phases), whether storage remained beyond the 2030 need, differences in water quality, and environmental impacts or benefits. Ms. BOYD then set out the study team's recommendations.

In the North Central study area, Portland is the central area of need. It is the only city in the study area that is not directly connected to Old Hickory Lake. The study team's recommendation for the area is to establish an interconnection from

White House to Portland. In the South Cumberland study area, the study team recommends raising Big Fiery Gizzard dam in Tracy City. The city already has a permit to raise the dam. This alternative would supply enough water to meet the city's needs as long as the minimum release requirement in its current permit can be reconsidered. The study team made several other recommendations for both areas, including conservation and demand management efforts (e.g., addressing leaks), drought management, and community engagement.

Ms. BOYD noted that in 2009, TDEC released a document providing guidance on drought management plans. In 2010, TDEC requested that utilities submit drought management plans of their own. Several have already submitted drought plans for TDEC's consideration.

TDEC will meet with the four managers of the South Cumberland utilities, political representatives, county executives, and a local reporter on Thursday July 7, 2011 to discuss the findings of the South Cumberland pilot report and the status of the minimum release study for Big Fiery Gizzard dam. TDEC will meet with Portland and White House while the North Central report is still in draft form.

Ms. BOYD informed the Commission that TDEC partnered with the Corps of Engineers and Tennessee Tech to purchase a statewide license for the hydrologic modeling that was used in this study, Operational Analysis and Simulation of Integrated Systems (OASIS). It will be available to both study areas and to utilities across the state. OASIS software training should take place sometime between late July and early August 2011.

Ms. BOYD noted that the general report should be ready by late summer or early fall 2011. The final reports and supporting appendices will be available online through TDEC's website at <http://www.tn.gov/environment/regionalplanning>.

Mayor Ken WILBER of Portland was present in the audience. Mayor MCDONALD asked Mayor WILBER if he had any questions at this time. Commissioner NORRIS welcomed Mayor WILBER, who had previously expressed concerns about what would happen in the event of a drought. Mayor WILBER approached the podium and spoke briefly about the status of communications between Portland and White House. He said that the parties will work out their differences. He did not have questions at this time, but he noted that he may at the July 7th meeting, once he has had a chance to consider the study team's recommendations and review the final report. Mayor WILBER noted that he was meeting with the University of Tennessee later that day on matters of conservation and reuse. He urged the Commission to consider both options.

Senator HENRY asked Ms. BOYD whether the Friends of the South Cumberland State Park were invited to the meeting. Ms. BOYD responded that her office has had very limited communications with them throughout the pilot process and that they had not been notified of the July 7th meeting. She noted that her office has

had some involvement with the Southeast Development District in that area. Senator HENRY recommended that the Friends be notified about the meeting, noting that they have done a lot of development work in that area. Ms. BOYD stated that TDEC would inform them of the meeting.

7. Future Meeting Dates

Chairman NORRIS took a moment to thank Alderman Bob KIRK for his eight years of service to the Commission. Vice Chairman ROWLAND, who was recently reappointed to the Commission, also recognized Alderman KIRK for his work.

Chairman NORRIS asked the Commission about date preferences for the September meeting: September 7th and 8th or September 28th and 29th. Mayor MCDONALD stated that his preference was for September 7th and 8th. None were opposed to that date. The next meeting was scheduled for Wednesday, September 7 and Thursday, September 8.

Chairman NORRIS adjourned the meeting at 10:47 a.m.