

No. 10-05

Approved by the Board of Directors
at its February 18, 2011, meeting:

Original Signed by Ralph E. Rodgers
Acting General Counsel and
Secretary

MINUTES OF MEETING
OF
THE BOARD OF DIRECTORS
TENNESSEE VALLEY AUTHORITY
NOVEMBER 4, 2010

A meeting of the Board of Directors of the Tennessee Valley Authority was held at the TVA Browns Ferry Nuclear Plant Training Center Auditorium, Shaw Road and Nuclear Plant Road, Athens, Alabama, on November 4, 2010. The meeting was called to order at 9:50 a.m. after a short intermission following the listening session which began at 9:00 a.m. (CDT). The meeting was announced to the public on October 28, 2010. The meeting was open to public observation.

Four new Board members who took the oath of office since the prior Board meeting were present and joined Director and Chairman Dennis (Denny) Bottorff, and Directors Robert M. (Mike) Duncan, Thomas C. (Tom) Gilliland, William H. Graves, and Howard A. Thrailkill, all of whom were in attendance. The four new Board members are:

Marilyn A. Brown, having been appointed by the President, by and with the advice and consent of the Senate, as a member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 2012, and having duly subscribed and sworn to the prescribed oath of office on October 7, 2010, was present. A copy of the appointment affidavit is attached to these minutes.

Barbara S. Haskew, having been appointed by the President, by and with the advice and consent of the Senate, as a member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 2014, and having duly subscribed and sworn to the prescribed oath of office on October 7, 2010, was present. A copy of the appointment affidavit is attached to these minutes.

Neil G. McBride, having been appointed by the President, by and with the advice and consent of the Senate, as a member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 2013, and having duly subscribed and sworn to the prescribed oath of office on October 7, 2010, was present. A copy of the appointment affidavit is attached to these minutes.

William B. Sansom, having been reappointed by the President, by and with the advice and consent of the Senate, as a member of the Board of Directors of the Tennessee Valley Authority for the term expiring May 18, 2014, and having duly subscribed and sworn to the prescribed oath of office on October 7, 2010, was present. A copy of the appointment affidavit is attached to these minutes.

Also present were Tom D. Kilgore, President and Chief Executive Officer; Kenneth R. (Ken) Breeden, Executive Vice President, Customer Relations; Janet C. Herrin, Executive Vice President, People and Performance; John M. Hoskins, Senior Vice President and Treasurer; William R. (Bill) McCollum, Jr., Chief Operating Officer; Anda A. Ray, Senior Vice President, Environment and Technology; Ralph E. Rodgers, Acting General Counsel; and John M. Thomas, III, Chief Financial Officer. Robert H. Gormley with the independent executive compensation consultant (Towers Watson) was a guest presenter of a portion of the executive compensation presentation (M.E. 10-05-8).

Chairman Bottorff presided over the meeting which was duly called, notice to each Director having been duly delivered pursuant to section 1.2 of the Bylaws governing meetings of the Board of the Tennessee Valley Authority. A quorum was present.

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Chairman Bottorff called the meeting to order.

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New Business

10-05-1. Welcome

In his opening remarks, Chairman Bottorff recognized the outstanding performance of 586 days of continuous operation for Browns Ferry Nuclear Plant Unit 1, welcomed the new Board members, recognized customer representatives and members of the public, invited the public to attend future TVA Board meetings and noted that, for those who cannot attend in person, the meetings are broadcast over the TVA website.

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The Board approved the minutes of the meeting held August 20, 2010.

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10-05-2. President's Report

Tom D. Kilgore, President and Chief Executive Officer, reviewed TVA's 2010 performance summary and briefed the Board on TVA power sales, operations, financial status, progress in achieving TVA's vision, and industry news affecting TVA. Mr. Kilgore then introduced Mike Shirey, General Manager of Project Management and Governance, Electric System Projects, Power System Operations, who presented TVA's Ike Zeringue Engineer of the Year Award to Randal Petty, Manager (Rotational), Project Control, Project Management and Governance, Electric System Projects, Power System Operations.

Copies of the slides used in Mr. Kilgore's report are filed with the records of the Board as Exhibit 11/4/10A.

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Board Governance Matters**10-05-3. Creation of the TVA Board Nuclear Oversight Committee and Committee Membership Assignments**

As recommended by Director Thrailkill, the Board adopted the following resolution:

Board Resolution
(Nuclear Oversight Committee)

WHEREAS, the Board recognizes the importance of its exercise of an appropriate level of oversight that is specifically focused on the safety and operational aspects of TVA's nuclear power program, along with the long-term plans and strategies for that program;

WHEREAS, the Board is of the opinion this desired level of oversight could be best accomplished by the creation of a new committee of the Board of Directors, the "Nuclear

Oversight Committee,” that is dedicated to overseeing TVA’s nuclear projects, operations, and activities;

WHEREAS, the creation of the Nuclear Oversight Committee and approval of the Charter for that Committee subsumes the responsibilities and guidance relating to use of independent advisors and nuclear oversight responsibilities previously established by the Board in the *TVA Board Practice, Use of Independent Nuclear Safety and Operations Advisors and Description of Nuclear Oversight Responsibilities*, and the duties relating to nuclear oversight previously assigned to the Board’s People and Performance Committee.

BE IT RESOLVED, that the Board hereby establishes the Nuclear Oversight Committee as a committee of the Board of Directors in accordance with the provisions Section 2(g)(1)(J) of the TVA Act and approves the Charter for that Committee that has been presented to the Board for its consideration, a copy of which is filed with the records of the Board as Exhibit 11/4/10B.

BE IT FURTHER RESOLVED, that the *TVA Board Practice, Use of Independent Nuclear Safety and Operations Advisors and Description of Nuclear Oversight Responsibilities*, is hereby terminated.

BE IT FURTHER RESOLVED, that, as set forth on the revised Charter of the People and Performance Committee of the Board of Directors filed with the records of the Board as Exhibit 11/4/10C, the Charter of the People and Performance Committee is hereby amended: (i) by striking “5. Nuclear Safety and Performance” where it appears under the heading “I. Purpose;” (ii) by striking “3. Review and assist the full Board in overseeing nuclear safety and performance to ensure protection of public health and compliance with applicable laws and regulations;” where it appears under “A. Performance to Plan” under the heading “V. Responsibilities of the People and Performance Committee;” and (iii) by renumbering item “4.” under said “A. Performance to Plan” to be item “3.”

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10-05-4. Committee Membership Assignments

As recommended by Chairman Bottorff, the Board adopted the following resolution:

Board Resolution
(Board Committee Appointments)

WHEREAS Section 2(g)(1) of the TVA Act requires that the Board create and maintain an “audit committee” and directs the Board to create such other committees of Board members as the Board considers to be appropriate; and

WHEREAS Section 2.1 of the Bylaws further provides that appointees for the membership of committees shall be submitted by the Chairman of the Board to the Board for its approval as a single slate of appointees; and

WHEREAS the Chairman hereby recommends the slate of committee members as set forth on Exhibit 11/4/10D;

BE IT RESOLVED, That the Board of Directors hereby approves the slate of committee members as set forth in Exhibit 11/4/10D.

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Chairman Bottorff then read into the record the membership of the committees as follows:

Audit, Risk and Regulation Committee

Tom Gilliland, Chair
Neil McBride
Mike Duncan
Denny Bottorff

Customer and External Relations Committee

Mike Duncan, Chair
Neil McBride
William Graves
Marilyn Brown

Finance, Rates, and Portfolio Committee

Bill Sansom, Chair
Barbara Haskew
Tom Gilliland

People and Performance Committee

William Graves, Chair
Barbara Haskew
Denny Bottorff

Nuclear Committee

Marilyn Brown, Chair
Bill Sansom

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10-05-5. Report of the Audit, Risk, and Regulation Committee

Director Gilliland, Chairman of the Audit, Risk, and Regulation Committee, reported on the activities of that committee, including review of the work of TVA's compliance office and the ethics program. Director Gilliland further reported that the Securities and Exchange Commission requires that TVA disclose an audit committee financial expert in the 10-K filing, and that the committee, along with the external auditor (Ernst & Young), and TVA's Office of the General Counsel, has determined that both Directors Bottorff and Gilliland qualify as audit committee financial experts and the 10-K, which the Board members are asked to sign, will reflect that determination. He then reported that the committee is recommending for consideration by the Board the item outlined in Minute Entry No. 10-05-6.

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10-05-6. Selection of TVA's External Auditor for Fiscal Year 2011

The Board adopted the following resolution:

WHEREAS in a November 2, 2010, memorandum to the TVA Board, a copy of which is filed with the records of the Board as Exhibit 11/4/10E, the Audit, Risk, and Regulation Committee recommended, in consultation with the Inspector General, that the TVA Board approve selecting Ernst & Young LLP ("E&Y") as TVA's external auditor for 2011 and extending TVA's contract with E&Y for up to two years;

BE IT RESOLVED, That the TVA Board hereby approves selecting E&Y as TVA's external auditor for 2011 and exercising the contract's extension period of up to two years.

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10-05-7. Report of the People and Performance Committee

Director Graves, Chairman of the People and Performance Committee, reported that the committee is recommending for consideration by the Board the items outlined in Minute Entry Nos. 10-05-8 and 10-05-9.

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10-05-8. Compensation and Incentive Pay

The Board adopted the following resolutions:

Board Resolution
(Executive Long-Term Incentive Plan Goals)

WHEREAS, in a memorandum dated November 2, 2010 (Memorandum), a copy of which is filed with the records of the board as Exhibit 11/4/10F, the Chief Executive

Officer recommended approval of: (a) an adjustment to the previously approved Executive Long Term Incentive Plan (ELTIP) goals for the FY 2010-FY 2012 performance cycles in order to replace the existing Cultural Health Index (CHI) goal with an Organizational Health Index (OHI) goal and (b) for the FY 2011-FY 2013 performance cycle, and performance cycles thereafter, (i) the addition of this OHI goal and (ii) the approved Retail Rate, Load Not Served, and Stakeholder Survey ELTIP goals, revised weightings, and definitions for all ETIP goals; and

WHEREAS the People and Performance Committee has reviewed the proposed revision and addition of ELTIP goals, as described above, and recommends their approval;

BE IT RESOLVED, That, with regard to ELTIP goals for the performance cycle of FY 2010-FY 2012, the Board approves replacing the existing CHI goal with an OHI goal (including the accompanying definition sheet), as set forth in the Memorandum and Attachment A thereto;

RESOLVED further, That, for ELTIP performance cycles ending on or after September 30, 2013, the Board approves (i) the addition of the OHI goal, as described in the Memorandum and Attachment B thereto, and (ii) the approved Retail Rate, Load Not Served, and Stakeholder Survey ELTIP goals, revised weightings, and definitions for all ELTIP goals, as set forth in the Memorandum and Attachment B thereto;

RESOLVED further, That the Board reserves to itself the authority to review TVA results and peer group comparisons at the end of any ELTIP performance cycle and to approve adjustments in ELTIP payouts, if it determines the circumstances warrant it.

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Mr. Robert H. Gormley with Towers Watson, the People and Performance Committee's independent executive compensation consultant, made a presentation to the Board in connection with the following resolution approving the Fiscal Year 2011 compensation for the Chief Executive Officer. A copy of the presentation is filed with the records of the Board as Exhibit 11/4/10G. Mr. Kilgore excused himself from the meeting while the Board considered his compensation arrangements.

Board Resolution
(CEO Fiscal Year 2011 Compensation)

WHEREAS in accordance with the TVA Act, as amended, and the TVA Compensation Plan, as approved by the Board, the People and Performance Committee has considered and recommends a proposed compensation adjustment for TVA's Chief Executive Officer beginning in Fiscal Year 2011 consisting of an additional incentive-based long term deferred compensation agreement (with no other adjustments in salary, incentive opportunities, or other elements of total compensation), as set forth in the November 3, 2010, memorandum from Bishop Graves to the Board, a copy of which is filed with the records of the Board as Exhibit 11/4/10H; and

WHEREAS Towers Watson, the People and Performance Committee's independent executive compensation consultant, has reviewed and concurred in this recommendation;

BE IT RESOLVED, That the Board hereby approves an adjustment to the CEO's compensation beginning in Fiscal Year 2011 (with no other adjustments in salary, incentive opportunities, or other elements of total compensation), consisting of an additional incentive-based long term deferred compensation agreement under which credits up to \$325,000 per year may be awarded based upon achievement of specific long-term goals, as set out in Exhibit 11/4/10H;

RESOLVED further, That with respect to such additional incentive-based long term deferred compensation agreement, the Board delegates to the Chairman of the Board, in consultation with the appropriate Board committee and with input from individual members of the Board, the authority to set and approve the goals and the periods of performance for such goals, rate the performance of the CEO with respect to the goals established for such periods, and approve any awards to the CEO based on such performance.

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Board Resolution
(Fiscal Year 2011 Salaries in Excess of Executive Schedule Level IV)

WHEREAS the People and Performance Committee has reviewed and made information available to other Board members in a memorandum, dated October 27, 2010, a copy of which is filed with the records of the Board as Exhibit 11/4/10I, regarding the employees other than the CEO with salaries in excess of Executive Level IV;

BE IT RESOLVED, That the Board hereby delegates to the Chief Executive Officer the authority to approve a list of TVA employees other than the CEO whose salaries will exceed Executive Schedule Level IV for Fiscal Year 2011.

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10-05-9. Medco Contract Extension

The Board adopted the following resolution:

WHEREAS TVA, as a part of its health plans for employees, retirees, and their dependents, provides prescription drug benefits; and

WHEREAS TVA provides such benefits through a managed prescription drug plan administered by a pharmacy benefit manager; and

WHEREAS a memorandum from the Executive Vice President, People and Performance, dated October 8, 2010, a copy of which is filed with the records of the Board as Exhibit 11/4/10J, recommends that the Board approve a three-year extension of the contract for pharmacy benefit management services with Medco Health Solutions, Inc., TVA's current prescription drug plan administrator, from January 1, 2011, through December 31, 2013, with an estimated total amount of \$256 million;

BE IT RESOLVED, That subject to any needed final negotiations, the Board approves the three-year extension of the contract with Medco Health Solutions, Inc., for pharmacy benefit management services as recommended in the October 8, 2010, memorandum from the Executive Vice President, People and Performance.

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10-05-10. Report of the Finance, Rates, and Portfolio Committee

Director Thrailkill, Chairman of the Finance, Rates, and Portfolio Committee, reported that the committee had received a final briefing on the completion of the Lagoon Creek

construction project and an intensive review of the ongoing construction effort at Watts Bar Unit 2. He further reported the committee is recommending for consideration by the Board the items outlined in Minute Entry Nos. 10-05-11 through 10-05-14.

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**10-05-11. Section 13 Tax-Equivalent Payments
for Fiscal Year 2011**

The Board adopted the following resolution:

WHEREAS section 13 of the Tennessee Valley Authority Act of 1933, *as amended* (16 U.S.C. §§ 831-831ee (2006 & Supp. II 2008)), directs the Board to pay amounts in lieu of taxes to the states and counties in which the power operations of TVA are carried on and in which TVA has acquired properties previously subject to state and local taxation, the payments to be computed in the manner specified in section 13 and to be charged against the power operations of TVA; and

WHEREAS said section provides that the Board shall make a determination as to the amounts due to the states and counties and shall make such payments in monthly installments for each fiscal year beginning July 1, 1940, upon a basis more particularly set forth in said section; and

WHEREAS pursuant to a resolution approved by the Board on November 19, 2009, such payments have been made during the fiscal year ending September 30, 2010, to the states and counties in accordance with the preliminary estimates approved in the said resolution; and

WHEREAS there have now been prepared and reviewed with the states data showing the amounts actually due the states and counties for the fiscal year ending September 30, 2010; and

WHEREAS a report setting forth the basis upon which such amounts have been calculated and containing the aforesaid data accompanied a memorandum to the Chief Executive Officer and President, from the Chief Financial Officer dated October 25, 2010, copies of which report and memorandum are filed with the records of the Board as Exhibit 11/4/10K; and

WHEREAS Schedules 1, 7, and 8 of Exhibit 11/4/10K includes estimates of the amounts due to the states and counties under section 13 for fiscal year 2011; and

WHEREAS final determination of the amounts due under section 13 for fiscal year 2011 will require additional studies which may consume several months; and

WHEREAS the Board desires to make payments for fiscal year 2011 on the basis of the estimated annual payments for fiscal year 2011, subject to such adjustments therein during the fiscal year as may be necessary to make the respective sums of the payments conform to the total amounts finally determined to be payable for fiscal year 2010; and

WHEREAS section 15d(g) of the TVA Act provides the payment under section 13 due to a state where a power generating or related facility operated by TVA under a lease or lease-purchase agreement ("Leased Facility") is located shall be reduced by the amount which is determined or estimated by the Board to result from holding the Leased Facility or from selling electric energy generated from the Leased Facility to the extent which taxes or tax equivalents are paid by the owners (or others) on account of the Leased Facility;

BE IT RESOLVED, That the Board of Directors, in accordance with section 13 of the Tennessee Valley Authority Act, as amended, hereby finally determines that the amounts set out in Schedules 2 and 5 of Exhibit 11/4/10/K are the amounts due and payable for the fiscal year ending September 30, 2010, to the respective states and counties named in said schedules; provided, however, that if there is any property for which TVA has a contingent tax replacement responsibility determinable by an assessment not yet made or not yet brought to TVA's attention or determinable by other factors not yet resolved, appropriate adjustments shall be made, in accordance with established procedures, in the amounts payable under section 13 for this or any subsequent fiscal year after such tax replacement responsibility has been determined;

RESOLVED further, That the Chief Financial Officer is hereby authorized and directed to make payments to said states and counties in accordance with the aforesaid schedules and to adjust the payments heretofore or hereafter made so that the respective sums of the payments for fiscal year 2010 will conform to the amounts shown in said schedules;

RESOLVED further, That the Board authorizes and directs the Chief Financial Officer to make, or cause to be made, payments, including monthly installment payments not in excess of one-twelfth of the estimated annual payments for the fiscal year ending September 30, 2011, to the respective states and counties for the month of October 2010 and each month thereafter in fiscal year 2011, all as provided in Exhibit 11/4/10K, until the Board has made a final determination of the respective amounts due for said fiscal year; provided that the Chief Financial Officer is hereby authorized to make, or cause to be made, as soon as administratively feasible, payments in lieu of taxes to any additional

states and counties found to be entitled thereto for fiscal year 2011 on account of power property purchased and operated by TVA during fiscal year 2010, said payments to be later confirmed and adjusted when the final amounts payable for fiscal year 2011 shall have been determined and approved by the Board in accordance with established procedures;

RESOLVED further, That it is the Board's determination that both the amount attributable to holding a Leased Facility and the amount attributable to selling electric energy generated from a Leased Facility shall be used under section 15d(g) in determining the amount by which TVA shall reduce the section 13 payment to the state in which the Leased Facility is located;

RESOLVED further, That the Board determines that in determining under section 15d(g) the amount of the reduction of the section 13 payment otherwise due a state, the contribution of the Leased Facility to the section 13 payment attributable to holding the Leased Facility shall be determined based upon how TVA accounts for the Leased Facility and the contribution of the Leased Facility to the section 13 payment attributable to selling electric energy generated from the Leased Facility shall be calculated using the assumption that the sales of electricity from the Leased Facility are apportioned among the various states in TVA's service area using the same proportion that the states contribute to TVA's gross power proceeds under section 13;

RESOLVED further, That the Chief Financial Officer shall cause to be explained to the appropriate state and county officials that said payments for fiscal year 2011 are based upon preliminary estimates and are subject to later adjustment.

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10-05-12. Corporate Insurance Contract with Marsh

The Board adopted the following resolution:

WHEREAS TVA has an ongoing need for certain risk management services and for insurance brokerage services in order to obtain insurance coverages under TVA's integrated risk insurance program (collectively, the "Services"); and

WHEREAS TVA issued a Request for Proposal to potential providers of the Services and of the suppliers that responded, Marsh USA Inc. (Marsh) had the highest evaluated offer for the Services; and

WHEREAS a memorandum from the Chief Financial Officer dated October 12, 2010, a copy of which is filed with the records of the Board as Exhibit 11/4/10L, recommends that the Board authorize entry into a contract with Marsh for the performance of the Services, with the contract having a term of ten years, and for total funding of \$500 million to be paid to Marsh for the performance of the Services and for the premiums for the various insurance coverages to be acquired through Marsh, and further authorize the Chief Executive Officer to take such actions as are necessary to carry out the integrated risk insurance program, including acquiring necessary, customary, or appropriate nuclear insurance coverages;

BE IT RESOLVED, That, as recommended in the Chief Financial Officer's October 12, 2010, memorandum, the Board hereby authorizes the award of a contract to Marsh for the performance of the Services, and further authorizes the Chief Executive Officer to take such actions as are necessary to carry out the integrated risk insurance program, including acquiring necessary, customary, or appropriate nuclear insurance coverages.

RESOLVED FURTHER, That before proceeding with the award of the contract for the Services, the Chairman of the Audit, Risk, and Regulation Committee shall have concurred in such award following such reviews and considering input from other Board members as such Committee Chairman deems appropriate.

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**10-05-13. Browns Ferry Nuclear Plant Cooling
Capacity Project**

The Board adopted the following resolution:

WHEREAS a memorandum from the Chief Operating Officer, dated October 21, 2010, a copy of which is filed with the records of the Board as Exhibit 11/4/10M (Memorandum), recommends that the Board authorize a project whereby the cooling capacity at Browns Ferry Nuclear Plant (BFN) will be increased through the demolition and reconstruction of existing mechanical draft cooling towers and the erection of new mechanical draft cooling tower(s) and whereby certain associated and necessary BFN site improvements will be made (collectively, the "Project") with total costs not exceeding \$160,000,000, through Fiscal Year 2013;

BE IT RESOLVED, That the Board approves implementation and completion of the Project, as recommended in the Memorandum.

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10-05-14. Report of the Customer and External Relations Committee

Director Duncan, Chairman of the Customer and External Relations Committee, reported that the committee is recommending for consideration by the Board the items outlined in Minute Entry Nos. 10-05-15 through 10-05-19.

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10-05-15. Revised Policy on Renewable Energy Standards

The Board adopted the following resolution:

WHEREAS the Board of Directors has previously adopted a policy on “Renewable Portfolio Compliance for Customers” (RES Policy) to address the impacts of potential future federal legislation that may require utilities of a certain size to generate or purchase a specified percentage of power and energy through qualifying renewable resources; and

WHEREAS under that RES Policy, TVA will (1) accept responsibility for distributor obligations to meet any federal renewable energy standard (RES) requirements that may be enacted to the extent that an option for meeting those requirements is generation from renewable energy sources, (2) provide a method for distributors to achieve compliance through the options that TVA deems most appropriate, and (3) treat the cost of all such compliance as a cost incurred on behalf of all consumers of TVA power; and

WHEREAS federal legislation imposing RES requirements has not yet passed but state law RES requirements become applicable this year to the TVA distributor customers with sales in North Carolina; and

WHEREAS distributor customers have all-requirements obligations to TVA that limit their options for compliance with state law RES requirements; and

WHEREAS the distributors subject to the North Carolina RES requirements and the Tennessee Valley Public Power Association (TVPPA) have requested that TVA revise the existing RES Policy so that TVA would also accept responsibility for distributor obligations under the North Carolina RES requirements and under any other state law RES requirements that later become applicable to distributors of TVA power; and

WHEREAS a memorandum from the Group President, Strategy and External Relations, dated October 20, 2010 (Memorandum), a copy of which is filed with the records of the Board as Exhibit 11/4/10N, recommends approval of revisions to the RES Policy in order to cover state law RES requirements in the same manner that the RES Policy currently covers federal RES requirements;

BE IT RESOLVED, That after review of said Memorandum, the Board of Directors hereby approves the proposed revised RES Policy attached to the Memorandum;

RESOLVED further, That the Board of Directors hereby authorizes the Group President, Strategy and External Relations, or that officer's designated representative, to execute contractual commitments to the revised RES Policy, as well as any agreements with those distributors subject to RES requirements that may be necessary or appropriate to implement the revised RES Policy.

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**10-05-16. Transfer of Monticello-East Kentucky
69-kV Transmission Line and Associated
Easements**

The Board adopted the following resolution:

WHEREAS as detailed in an October 18, 2010, memorandum from the Group President, Strategy and External Relations, a copy of which is filed with the records of the Board as Exhibit 11/4/10O, South Kentucky Rural Electric Cooperative Corporation (SKRECC) has requested that TVA, as agent of the United States of America, sell its Monticello-East Kentucky RECC 69-kV Transmission Line and associated easements affecting approximately 14.18 acres of private land in Wayne County, Kentucky, such easement rights being designated in TVA land records as Tract No. XMONA-1TTL; and

WHEREAS with expiration of the power contract with the City of Monticello, TVA no longer has a need to retain the isolated transmission line section and associated easements; and

WHEREAS there is no permanent dam, hydroelectric power plant, or munitions plant located on said tract; and

WHEREAS it has been determined that the proposed sale is not a major federal action having a significant impact on the human environment and that, accordingly, an environmental impact statement is not required;

BE IT RESOLVED, That the Board of Directors, pursuant to Sections 4(k)(d) and 4(f) of the TVA Act of 1933, as amended, hereby authorizes and directs the Senior Manager, Realty Services and Land Records, or its designee, to execute and deliver to SKRECC, upon payment to TVA of the estimated value of the transmission line and easement rights plus TVA's administrative costs, appropriate conveyance documents for Tract No. XMONA-1TL and the structures located thereon in such form as the General Counsel shall approve, subject to such terms and conditions as may be necessary to cover and protect TVA's statutory obligations, program requirements, and other interests.

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10-05-17. Adoption of Board Practice: Delegation for Land Transactions

The Board adopted the following resolution:

WHEREAS the Board of Directors (Board) wishes to retain general decision-making authority with respect to transactions wherein the value of the land or land rights and associated facilities and equipment is greater than \$4,000,000; and

WHEREAS as detailed in an October 26, 2010, memorandum, a copy of which is filed with the records of the Board as Exhibit 11/4/10P, the Group President, Strategy and External Relations, has recommended that decision-making authority with respect to transactions consisting of land or land rights and associated facilities and equipment valued at \$4,000,000, or less for any purpose and certain other limited land-related transactions be delegated by the Board to the Chief Executive Officer; and

WHEREAS the delegations shall be exercised in accordance with relevant Board-approved policies, such as the TVA Land Policy, following the completion of all necessary legal, programmatic, and environmental reviews in accordance with TVA's

procedures and protocols and in compliance with the National Environmental Policy Act and other applicable laws and requirements; and

WHEREAS each action proposed for approval under these delegations will be subject to review by the General Counsel, the senior ethics official, and other appropriate management prior to approval; and

WHEREAS TVA will offer opportunities for public comment in accordance with internal guidelines and processes prior to final approval under these delegations; and

WHEREAS actions taken under these delegations will be included on the periodic report of delegation activities provided to the Board; and

WHEREAS the Board has determined that the approval of such delegations of authority will not be adverse to the interests of the United States of America or TVA;

BE IT RESOLVED, That the Board of Directors hereby reserves the authority, subject to the specific delegations as hereinafter provided, to approve transactions consisting of land or land rights and associated facilities and equipment valued at greater than \$4,000,000, and to approve any other land-related transactions not specifically covered by the below-listed delegations;

RESOLVED further, That the Board of Directors hereby delegates to the Chief Executive Officer the authority to—

- approve transactions consisting of land or land rights and associated facilities and equipment valued at \$4,000,000 or less for any purpose;
- approve the renewal of existing easements and leases;
- approve grants of easements to public entities for infrastructure and utilities (wastewater, water, sewer, roads, etc.);
- approve the transfer of 20 miles or less of transmission lines (including land or land rights and associated equipment) to distributors of TVA power;
- approve the filing of condemnation cases directly associated with previously approved and budgeted projects or activities;
- make administrative changes to reservoir land management plans solely for the purpose of correcting land planning errors and mistakes, including allocation changes to reflect legal instruments in existence, but misinterpreted or overlooked, at the time of planning and to correct mapping errors which have misidentified TVA land ownership; and
- revise reservoir land management plans to change the allocation of parcels from Industrial/Commercial or Developed Recreation to Shoreline Access where general ingress and egress rights exist across the TVA property, provided such change is consistent with any restrictions in the deed regarding those rights;

RESOLVED further, That the actions of the Board of Directors on May 18, 2006, Minute Entry No. 06-02-5; on August 20, 2009, Minute Entry No. 09-05-19; and on April 16, 2010, Minute Entry No. 10-02-10, are hereby terminated.

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10-05-18. Douglas Nolichucky Land Plan

The Board adopted the following resolution:

WHEREAS throughout its history, TVA has used the reservoir shorelands in its custody and control to meet a broad range of resource management and development needs and to enhance and improve the quality of life in the Valley; and

WHEREAS as detailed in an October 18, 2010, memorandum from the Group President, Strategy and External Relations, a copy of which is filed with the records of the Board as Exhibit 11/4/10Q, in furtherance of these objectives and in accordance with TVA's Land Policy, plans for the use and management of approximately 3,191 acres of project lands on Douglas and Nolichucky Reservoirs ("Plans") have been prepared by TVA staff; and

WHEREAS the Plans have evolved through careful consideration of best available information about reservoir land, resource data, socioeconomic and environmental data, and TVA expertise, as well as extensive public review and comment; and

WHEREAS the Plans considered three alternatives for categorizing the TVA properties on Douglas and Nolichucky Reservoirs; and

WHEREAS *Alternative C, Modified Land Use Alternative*, reflects staff's recommendation of the best use and management for TVA land on Douglas and Nolichucky Reservoirs, as arrived at through this extensive planning process; and

WHEREAS Alternative C would set aside approximately 1,078 acres for project operations, approximately 413 acres for developed recreation, and approximately 1,684 acres for natural resource conservation and sensitive resource management; and

WHEREAS an environmental impact statement was prepared to assess the impact of the Plans on the environment;

BE IT RESOLVED, That the Board of Directors hereby approves the Douglas Reservoir Land Management Plan and the Nolichucky Reservoir Land Management Plan, copies of which are filed with the records of the Board as Exhibit 11/4/10R, and which reflect *Alternative C, Modified Land Use Alternative*.

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**10-05-19. Regional Resource Stewardship Council Members
Approval and Resolution Thanking Past Chairman**

The Board adopted the following resolutions:

Board Resolution

(Appointment of Members to Sixth Term of Regional Resource Stewardship Council)

WHEREAS the Board of Directors approved the renewal of the Regional Resource Stewardship Council (Council) charter for its sixth term on June 10, 2010, Minute Entry No. 10-03-13; and

WHEREAS the Council was established to advise TVA about its resource stewardship activities, and TVA is interested in continuing to receive a broad range of fresh perspectives and advice and providing an opportunity for various members of the public to provide input into stewardship activities; and

WHEREAS as detailed in an October 21, 2010, memorandum, a copy of which is filed with the records of the Board as Exhibit 11/4/10S, the Senior Vice President, Environment and Technology, has recommended the appointment of 17 individuals to the Council and the designation of a Council Chairperson; and

WHEREAS the Board has been informed that such individuals possess demonstrated professional or personal qualifications relevant to achieving the mission of regional resource stewardship, and the Board has determined that the appointment of such individuals will ensure that the membership of the Council is balanced and represents the broad range of diverse views and interests established in the Council Charter, including recreation, environment, industrial, business, consumer, educational, and community leadership interests; and

WHEREAS the Board has determined that Deborah K. Woolley should be designated the Council Chairperson; and

WHEREAS Governor Bredesen of Tennessee indicated his desire to allow the newly elected governor to select Tennessee's nominee to the Council, and such selection has not yet been made, and the Governors of Alabama and Virginia have not yet selected their states' respective nominees; and

WHEREAS the resignation of a Council member during the term would create a vacancy in membership that must be filled; and

WHEREAS the delegation of authority to the Chief Executive Officer to review and accept the nominations later received from the remaining governors regarding their states' respective representatives to the Council, and to fill any vacancies in Council membership that may arise during the sixth term, would allow the timely appointment of a full complement of Council members;

BE IT RESOLVED, That the Board of Directors hereby appoints the following as members of the Regional Resource Stewardship Council for its sixth term:

Deborah K. Woolley, Nashville, Tennessee—Designated as Council Chairperson

W. C. Nelson, Blairsville, Georgia—Nominated by the Governor of Georgia
Phil Hazle, New Concord, Kentucky—Nominated by the Governor of Kentucky
Jean Kellems Elmore, Tupelo, Mississippi—Nominated by the Governor of Mississippi
Bill Forsyth, Murphy, North Carolina—Nominated by the Governor of North Carolina
Karl Dudley, Selmer, Tennessee
Ron Fugatt, Newport, Tennessee
Mike Goodman, New Johnsonville, Tennessee
Mark Hommrich, Nashville, Tennessee
Renee Hoyas, Knoxville, Tennessee
Mark Iverson, Bowling Green, Kentucky
Mitch Jones, Knoxville, Tennessee
Avis Kennedy, Nashville, Tennessee
George Kitchens, Trinity, Alabama
Tom Littlepage, Montgomery, Alabama
Paul Sloan, Nashville, Tennessee
Russell Townsend, Bryson City, North Carolina

RESOLVED further, That the Board of Directors hereby delegates to the Chief Executive Officer the authority to review and accept the nominations later received from the

governors of Alabama, Tennessee, and Virginia regarding their states' respective representatives to the Council and to fill any vacancies in Council membership that may arise during the course of the sixth term.

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Board Resolution
(Honoring Tom Littlepage)

WHEREAS the Tennessee Valley Authority (TVA) established the Regional Resource Stewardship Council (Council) to advise TVA about its resource stewardship activities; and

WHEREAS Tom Littlepage has served as the Chairperson of the Council for its fourth and fifth terms and will be completing his service as Chairperson in February 2011; and

WHEREAS during Mr. Littlepage's four-year tenure as Chairperson, he ably led the Council as it reviewed and provided advice to TVA regarding many important resource stewardship issues, including TVA's Drought Management Plan, Environmental Policy, Natural Resource Plan, sustainable land management strategies, recreation strategy, compliance strategy, and commercial recreation valuation approach; and

WHEREAS the Board wishes to recognize the contributions of Mr. Littlepage as Council Chairperson;

BE IT RESOLVED, That the Board of Directors hereby honors and recognizes Tom Littlepage and, on behalf of TVA and all TVA stakeholders, expresses its gratitude for his dedication and effort as Chairperson of TVA's Regional Resource Stewardship Council to help TVA accomplish its resource stewardship mission for the benefit of the people of the Tennessee Valley and the United States.

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Director Gilliland requested that a meeting be arranged between the Board and the Regional Resource Stewardship Council.

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10-05-20. Resolution Honoring Director Howard Thrailkill's Service to TVA

Director Duncan read the following resolution into the record:

**A Resolution Honoring Howard A. Thrailkill,
Member of the TVA Board of Directors,
2006-2010**

WHEREAS the Consolidated Appropriations Act, 2005, amended the TVA Act by restructuring the TVA Board from three full-time members to nine part-time members;

WHEREAS the TVA Board is responsible for, among other things, establishing broad goals, objectives, and policies for TVA and establishing long-range plans to carry out these goals, objectives, and policies;

WHEREAS Howard A. Thrailkill, who was one of the first group of new Directors appointed to the expanded TVA Board, joined the TVA Board in March 2006 and is now completing his term; and

WHEREAS as a TVA Director and Chairman of the Operations, Environment, and Safety Committee and the Finance, Rates, and Portfolio Committee, he has worked tirelessly to further TVA's missions and objectives, including the objectives of providing reliable, low-cost electricity, economic development, and environmental stewardship; and

WHEREAS Director Thrailkill has earned respect for his knowledge, leadership, and business acumen, which he has diligently devoted to his work on the Board for the benefit of the people of the Tennessee Valley and the United States;

BE IT RESOLVED that the Board of Directors of the Tennessee Valley Authority honors Howard A. Thrailkill for his TVA service.

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The meeting was adjourned at 11:55 a.m. CDT.

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