Tennessee Duck River Development Agency
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FY2024 Annual Report

State law requires that the Tennessee Duck River Development Agency (DRA) publish a complete set of financial statements presented in conformity with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the financial statements, supplementary information, and independent auditors' report of the DRA for the fiscal year ended June 30, 2024, along with a summary of major activity accomplishments in FY2024 and summary for FY2025 Program.

BACKGROUND

The Tennessee General Assembly created the DRA in 1965 as a comprehensive regional development agency. Its powers include the "control and development of the water resources" of those portions of the Duck River Watershed lying in Bedford, Coffee, Hickman, Marshall, and Maury Counties. In 1998, the DRA's Board of Directors adopted the following new mission statement:

"To develop, protect, and sustain a clean and dependable water resource for all citizens of the Duck River Region."

Seven area water systems contribute five cents per one thousand gallons of water sold into a trust that provides funding for water supply and water quality projects as well as operating expenses of the DRA.

SUMMARY OF MAJOR ACTIVITES AND ACCOMPLISHMENTS FOR FY2024

Other than performing administrative, accounting, financial management, and program management functions in support of the DRA's mission, the Agency was also involved in the following activities:

Annual Programs

USGS Gauges: The United States Geological Survey operates four stream gauges for the Agency in a joint funding agreement. The stream gauges provide real time data and historical information to support the Oasis model that is used to monitor water-use trends and drought forecasting.

Regional Duck River Cleanup: Two cleanups on the Duck River occurred in 2024 that included one each in Coffee and Maury County. Close to hundred and fifty volunteers collected more than 3 tons of litter from the Duck River and Normandy Reservoir.

Water Stewardship Program: The Water Stewardship Program includes public educational programs about water conservation, efficiency, and protection. The Agency supports the Duck River Watershed Education Committee which conducts Duck River Education Day for 5th graders, distributing the "Discovering the Duck River" booklet to all 4th graders in the watershed, and distribution of the "Duck River Water Cycle" bookmarker to all 3rd graders.

Annual Duck River Symposium: This was the 2rd year to hold the Annual Duck River Symposium. This event is an opportunity for water resource managers to meet and share their work and collaborate with other state and federal agencies and NGO's. Attendance for the third symposium was close to 120 participants. Presentations can be found on the DRA website.

New Agency Business Items

DRA Statute Amendments: The legislation that was introduced in the 2023 General Assembly was amended addressing concerns from those opposing the bill (HB0375, SB1397). Major revisions to the DRA statute are as follows:

- Secures DRA's ability to protect the Duck River by requiring a membership fee from water utilities with a TN Aquatic Resource Alterations Permit (ARAP) from Department of Environment and Conservation (TDEC) based on the amount of treated water delivered to the water system.
- Adds a DRA Board seat for each water system.
- Codifies the Duck River Agency Technical Advisory Committee (DRATAC) that previously was created only by DRA Board resolution.

The General Assembly passed the legislation on April 22, 2024, unanimously, and Governor Lee signed the bill on May 6th, 2024.

The act takes effect July 1, 2024.

Regional Water Supply Program

The Duck River Comprehensive Regional Water Supply Plan (WSP) was completed in 2011. The five recommended programs and projects in WSP are designed to meet all uses of the Duck River including sustainably environmentally flows and growth demands for 50 years (2060) with a 100-year vision in the Duck River Region. The DRA understands updates and revisions will always be needed when new growth projections become available and climate change has an impact on the region. The five components of the program are listed below with current updates:

- **Regional Drought Management Plan:** The Regional Drought Management Plan (DMP) manages Normandy Reservoir water for all uses during an extended drought period. In early 2017, a meeting with the regulatory agencies was held to develop a scope of work for the environmental reviews required under the National Environmental Policy Act (NEPA) that would be necessary for Tennessee Valley Authority (TVA) to manage Normandy Reservoir during drought conditions and for Tennessee Department of Environment and Conservation to

approve the DMP for river flows during drought conditions. In 2023, two issues caused a pause with completing the NEPA review: 1) TDEC put special flow constraint conditions in Duck River water utility withdrawal permits that did not align with the DMP, and 2) TVA asked for a pause in the review because of uncertainty that Normandy Reservoir capacity was not adequate to meet all future water demands with the proposed DMP. A modified DMP is being discussed but it has been decided to keep it on pause until the following Optimization Releases program NEPA is completed.

- **Optimizing Normandy Reservoir Releases:** The Optimizing Normandy Reservoir Releases (ONRR) program provides efficient use of reservoir water. The ONRR program changes the flow target for the Duck River from an instantaneous flow target to a weekly rolling average target. This change in TVA operating policy will prolong the time before the DMP is implemented by conserving reservoir storage and benefits TVA's ability to fill Normandy in the spring. The DMP and ONRR were originally combined for environmental reviews but separated after the concerns with the DMP were raised. The draft ONRR Environmental Assessment (EA) was released by TVA June 2024, for public review and comment. Completion date for the NEPA review and recommendation is scheduled for spring 2025.
- **Water-Use Efficiency Program:** The Water-Use Efficiency Program (WUEP) previously known as the Water Management Program (WMP) is a program to understand how we use water and how we can become more water-use efficient. Water use data is collected from the water systems annually and is used to develop water-use trends, including water demands, which will indicate areas of improvement.
- **Normandy Reservoir Capacity Improvements:** The Normandy Reservoir Capacity Improvements (NRCI) Feasibility Study was completed in 2013. The DRA asked TVA to implement the NRCI project in February 2014. TVA responded that they feel the demands were not strong enough to start studies or engineering design for this project at this time. However, this project is still on the list of water supply infrastructure projects to meet future water demands in the Duck River Basin.

  However, a new phase of the NRCI program is being discussed that has a different approach. The Duck River Utility Commission is investigating the possibility of renovating their water withdrawal intake on Normandy Reservoir so the reservoir can be drawn down further if TVA needs additional water to meet environmental stream flows and water demands downstream. This is a "going down before going up" approach that allows TVA access to more reservoir capacity.
- **Williamsport/Natchez Trace New Downstream Intake (First phase to the TN River):** A regional water supply feasibility study for the Maury County region was conducted in 2013 and finished in 2014 to determine the best long-term water supply alternative for the county to meet future growth and provide water supply insurance during an extended drought. In FY2015 the Maury County Water Supply Team began development of a Strategic Implementation Plan to

understand implementation timelines. In FY2016, the raw water intake siting study began and was completed in FY2017 with recommendations for the new intake site. Upon completion of the siting study Columbia Power & Water Systems (CPWS) took a leadership role in the new downstream intake project and initiated further studies for the location of a new intake and selected a site. CPWS is currently conducting engineering design for the intake and transmission lines. CPWS has initiated the process for an Aquatic Resource Alterations Permit (ARAP) for the new intake. CPWS has requested $10 million from the DRA Trust to support the new intake project. An agreement was signed by DRA with majority approval from the water systems boards to disburse funds from the Water Supply Project Trust.

SUMMARY OF MAJOR ACTIVITES and PROJECTS FOR FY2025

Annual Programs

USGS Gauges: The Agency renewed its annual contract with USGS for the operation and maintenance of four continuous gauging stations across the Duck River Basin. Gages are located at Highway 50 Bridge, Milltown, Sowell Mill Pike Bridge, and Halls Mill. Three gauges that were discontinued in FY2023 are Craig Bridge, Rock Creek, Fountain Creek.

Regional Duck River Cleanup: The Agency plans to provide plastic garbage bags for litter clean-up and T-shirts for volunteers committed to a cleaner Duck River.

Water Stewardship Program: The Agency will support the Duck River Watershed Education Committee with Duck River Education Day for 5th graders and printing and distributing the "Discovering the Duck River" booklet that will be given to all 4th graders in the watershed every year. All the 3rd graders in the Duck River Basin will receive the "Duck River Water Cycle" bookmarkers. Upon request the Agency will conduct educational programs about water conservation and water-use efficiency programs.

Water Utility Board Member Training: The Agency plans to sponsor utility board member training sessions in the late summer and fall.

Duck River Annual Symposium: The Annual Duck River Symposium will be held on the first Wednesday of December.

Regional Water Supply Program

- **Regional Drought Management Plan (DMP):** The DMP environmental reviews continue to be on pause until a modified DMP is agreed upon.
- **Optimizing Normandy Reservoir Releases (ONRR):** The ONRR NEPA reviews will continue with completion expected in 2025.

- **Water-Use Efficiency Program (WUEP):** A water use database will be updated that will be used for water demand projections and developing a water management program for the Duck River Region. This is an ongoing program with annual data collection.
  The Agency will sponsor utility board member training sessions in the late summer and fall.
- **Normandy Reservoir Capacity Improvements (NRCI):** The Normandy Reservoir Capacity Improvements project will continue to be discussed with TVA.
- **Williamsport/Natchez Trace New Downstream Intake (First phase to the TN River):** The Agency will continue to support the implementation needs of a new downstream intake in Maury County for a regional water supply project. CPWS is currently awaiting approval from the state for a water intake and withdrawal permit.

The Duck River Agency is committed to protecting the Duck River and providing sustainable long-term water supply to meet all needs in the Duck River Region. Questions or comments about any of the Agency's programs can be directed to Doug Murphy, Executive Director, doug@duckriveragency.org or (931)703-7820.

Respectively,

Thomas H. Peebles, IV, Chairman
Tennessee Duck River Development Agency

Doug Murphy, Executive Director
Tennessee Duck River Development Agency