MEMORANDUM OF AGREEMENT
AMONG
THE CITY OF MEMPHIS, SHELBY COUNTY, THE MEMPHIS AND SHELBY
COUNTY PORT COMMISSION, THE MEMPHIS LIGHT, GAS AND WATER
DIVISION, AND THE TENNESSEE VALLEY AUTHORITY

THIS MEMORANDUM OF AGREEMENT ("MOA") is entered into by the
City of Memphis ("City"), Shelby County ("County"), the Memphis and Shelby
County Port Commission ("Port"), the Memphis Light, Gas and Water Division
("MLGW") (hereinafter collectively, "Local Entities"), and the Tennessee Valley
Authority ("TVA") in accordance with and pursuant to their respective authorities to
establish a framework for the management and disposal of coal ash at TVA’s Allen Fossil
Plant.

WITNESSETH

WHEREAS, TVA purchased the Allen Fossil Plant ("Plant") in Memphis,
Tennessee and associated real property and personality from the City and MLGW under a
"Deed and Bill of Sale" dated December 31, 1984, as amended; and

WHEREAS, the City and MLGW retained ownership (fee title) to the coal ash
disposal impoundment to the west of the Plant and the City and the County hold fee title
to the coal ash pond east of the Plant; and

WHEREAS, the City and/or MLGW granted TVA easements over the ash ponds
to fill them with coal ash from the Plant up to identified elevations; and

WHEREAS, the easement over the west pond recites that the City and MLGW
"shall have the ownership, with full right to sell, remove or dispose of, any and all ashes
when placed within any part of said property;" and

WHEREAS, the easement over the east pond recites that the Port "shall have the
ownership, with full right to sell, remove, or dispose of, any and all ashes when placed
within any part of said property;" and
WHEREAS, TVA continues to use the east pond to dispose of coal ash generated at the plant and used the west pond to dispose of coal ash in the past; and

WHEREAS, the U.S. Environmental Protection Agency ("EPA") issued a rule comprehensively regulating the management and disposal of coal ash and other coal combustion residuals ("CCR") on April 17, 2015, at 74 Fed. Reg. 21302-21501 (the "CCR Rule"); and

WHEREAS, the CCR Rule requires owners and operators of CCR facilities to conduct a number of different analyses and complete a number of actions by specified time periods, including closing coal ash impoundments under certain conditions; and

WHEREAS, the requirements of the CCR Rule apply to TVA as operator of the coal ash ponds at the Plant, to the City, the County, and MLGW as owners of the west or east ponds, and, possibly, to the Port as owner of the coal ash in the east pond; and

WHEREAS, the Tennessee Department of Environment and Conservation ("TDEC") issued TVA an administrative order on August 6, 2015 (the "TDEC Order") that provides for TDEC review and approval of the activities that TVA undertakes to comply with the CCR Rule in Tennessee, including at the Plant; and

WHEREAS, the TDEC Order also requires TVA to investigate CCR-related conditions at six of its coal-fired power plants in Tennessee, including the Plant, to assess CCR-related risks and, if necessary, implement corrective action to mitigate unacceptable risks; and

NOW, THEREFORE, in consideration of the foregoing premises, the Parties agree as follows:

I. Compliance with CCR Rule and TDEC Order

The Local Entities agree that to meet their potential responsibilities under the CCR Rule and to better ensure that the TDEC Order can be complied with expeditiously and cost effectively, it is necessary that they cooperate with TVA in its implementation of the CCR Rule and the TDEC Order. Accordingly, the Local Entities agree to support TVA’s implementation activities including, but not limited to, expeditiously providing TVA information and data upon TVA’s request such as design and operating information about the wastewater pipelines that are owned and operated by the City and that underlie
the east ash pond. The City already has provided information about its wastewater pipelines to TVA. Subject to other provisions of this MOA, TVA shall have sole authority to determine what actions are necessary to implement the CCR Rule and the TDEC Order.

II. Legal Responsibilities

TVA agrees to be solely responsible for complying with the CCR Rule and TDEC Order regarding CCR management areas at the Plant and other CCR management areas near the Plant, if any, that may become encompassed by the TDEC Order; provided, the Local Entities meet their responsibilities under this MOA. By executing this MOA, none of the Local Entities admit to any liability or responsibilities respecting the CCR Rule or TDEC Order. The Local Entities may pursue any cause of action they may have separately or collectively in law or equity if TVA does not comply with this MOA.

III. Coordination

TVA and each of the Local Entities shall designate a single-point of contact for implementation of this MOA within 30 days of its execution. TVA agrees to update the Local Entities quarterly about its implementation activities, including sending or linking the Local Entities to copies of information and reports that it is required to prepare and release publicly under the CCR Rule. In addition, TVA agrees to:

A. Provide the Local Entities copies of the Environmental Investigation Plan, the Environmental Assessment Report, and the Corrective Action/Risk Assessment Plan, if one is prepared, for the Plant under the TDEC Order prior to finalization of those plans and reports and their release to the public.

B. Provide the Local Entities copies of its proposed groundwater monitoring plan that identifies where monitoring wells are proposed to be located and any proposed future amendments to the plan.

C. Use its best efforts to timely alert the Local Entities to information that it plans to release publicly about CCR management activities at the Plant and that TVA
reasonably believes may generate unusual media interest so that the Local Entities can be better prepared to respond to such interest.

**IV. TVA Easement Rights**

The Local Entities and TVA agree that TVA’s easement rights under the 1984 Deed and Bill of Sale, as amended, allow TVA to undertake the actions necessary to comply with the CCR Rule and the TDEC Order; provided, however, that any such actions impacting the real property of a Local Entity beyond TVA’s ash pond easements be as least intrusive as possible. The Local Entities agree that their ownership interests do not require TVA to obtain their approval to conduct those actions that TVA determines necessary to comply with the CCR Rule and the TDEC Order. This includes, without limitation, operating and closing ash ponds as necessary to comply with the CCR Rule or TDEC Order, installing and operating groundwater monitoring systems, and completing corrective action, if required. However, this does not include taking actions that adversely affect continued operation of MLGW’s distribution lines that cross the east ash pond or the City’s wastewater pipes that underlie the east ash pond without first obtaining MLGW’s and the City’s review and approval, respectively. Any adjustments to the distribution lines or wastewater pipes determined to be necessary by TVA shall be at TVA’s expense.

**V. Effective Date, Modification and Termination**

This MOA may be executed in counterparts and shall become effective when the last Party executes it. The MOA may be modified upon agreement in writing signed by each Party. Any Party may terminate this agreement upon 60 days written notice to the other Parties; provided, however, that Section IV of the MOA shall continue to be effective.
AGREED TO AND ENTERED INTO BY:

City of Memphis

Mayor

Division of Public Works:

Director

Shelby County

Mayor

Approved as to Form:

City Attorney

2/3/14

DATE

Approved as to Form:

2/2/14

DATE

Assistant County Attorney

Memphis and Shelby County
Port Commission

Chairman

DATE

Attest:

Approved as to Form:

Secretary-Treasurer

Port Commission Attorney
AGREED TO AND ENTERED INTO BY:

City of Memphis

_________________________________________            ______________
Mayor                                           DATE

Division of Public Works:                       Approved as to Form:

_________________________________________            ______________
Director                                         City Attorney

Shelby County

Mayor

Approved as to Form:

__________________________
Assistant County Attorney

Memphis and Shelby County
Port Commission

_________________________________________            ______________
Chairman                                         DATE

Attest:                                           Approved as to Form:

_________________________________________            ________________________
Secretary-Treasurer                               Port Commission Attorney

10-30-15

DATE
AGREED TO AND ENTERED INTO BY:

City of Memphis

Mayor

DATE

Division of Public Works:

Approved as to Form:

Director

City Attorney

Shelby County

Mayor

DATE

Approved as to Form:

Assistant County Attorney

Memphis and Shelby County
Port Commission

Chairman

1/20/16

DATE

Approved as to Form:

Attest:

Secretary-Treasurer

Port Commission Attorney
Memphis, Light, Gas, and Water Division

By: [Signature]
President and CEO

Attest:

[Signature]
Vice-President and Treasurer

Tennessee Valley Authority

Senior Vice President, Generation Construction, Projects & Services

DATE

12/22/15

DATE

Approved as to Form:

[Signature]
Charlotte Knight Tripp
Attorney for MLGW
Memphis, Light, Gas, and Water Division

By: ____________________________________________
President and CEO
DATE

Attest: __________________________________________
Approved as to Form:

Vice-President and Treasurer

Tennessee Valley Authority

Senior Vice President, Generation Construction, Projects & Services
DATE

1/14/2015

Attorney for MLGW