Robert H. Marquis, General Counsel, 629 NSB, Knoxville J. R. Parrish, Director of Engineering Design, 505 UB, Knoxville

L. B. Marks, Chief, Management Services Staff, 604 PRB, Chattanooga August 26, 1970

JOHNSONVILLE STEAM PLANT - RELEASE OF ASH DISPOSAL POND RIGHTS TO DUPONT COMPANY

By special warranty deed dated April 1, 1952, TVA sold to the Dupont Company tract XGIR-580 on Kentucky Reservoir retaining the right to dike and fill portions of the tract with ash from the Johnsonville Steam Plant. These rights were to extend for a period of 15 years. The tract was divided into three areas referred to as ponds A, B, and C. Pond A is nearest the steam plant and was filled first.

By easement dated October 29, 1952, Dupont granted TVA the right to additional filling and to construct ash sluice lines across adjacent Dupont property. These rights were later released by TVA to Papent by an easement dated September 21, 1956. In this document Dupont extended TVA's right to fill tract XOIR-580 until July 31, 1936, and granted TVA a right of way across tract XGIR-580 for its all sluice lines.

In an agreement between the two parties dated May 16, 1957, there was an exchange of filling rights involving several parcels of Dupont's land and tract XGIR-580 to permit Dupont to expand its plant site and to build an out-fall line across the northern portion of tract XGIR-580.

The latest agreement between Dupont and TVA is a letter agreement of September 9, 1969, concerning work by TVA to increase the capacity of pond C. Because the useful life of these ash disposal ponds is nearing an end, TVA has constructed a new disposal pond between the steam plant site and the river. We no longer have need for the ponds located on tract XGIR-580.

From discussions with Dupont representatives on July 23, we are of the opinion that the immediate release of our rights in tract XGIR-580 would be to the mutual advantage of the parties. We recommend that TVA make the following proposal to Dupont for terminating these rights.

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Robert H. Marquis J. R. Parrish August 26, 1970

Johnsonville Steam Plant - release of ash disposal poind rights to DUPONT COMPANY

TVA will:

- 1. Abandon all rights which now extend to the year 1986 to further use of ponds A, B, and C for ash disposal purposes but retain the right to cross these ponds with future ash sluice lines together with the necessary access for serviceing the lines. This right is needed to permit future use of TVA lands downstream from Dupont for ash disposal.
- 2. /Reslope the lake side of the dikes associated with pends A and B so as to make the dikes as secure as possible. This is in line with the Board's policy that TVA take such measures as are necessary to insure against failures of our ash pond dikes.
- Provide screen planting at the toe of the slope on the lake side dike for ponds A and B. This point was raised by Dupont with 59 f El 365 to 6, dikes could bring public criticism on both Dupont and TVA.

 when the screen of the the argument that the poor appearance on the lake side of the volunteer plant growth has been noted; however, we agree that a screen planting would benefit the appearance and to protect the screen planting would benefit the appearance and also could tend kqb to protect the dike from wave action. It is our thought to accomplish this by planting a row of small trees along the toe of the dike slope. This work would be completed by December 31,

The surface of pond A to a uniform slope from Dupont's fence line on the land side to the lake side dike. Pond A has been filled. The and however, Dupont has some this slope to the land however, Dupont has a present the surface of the land the side to the lake side dike. Pond A has been filled. The surface of the surfac pond A to a uniform slope from Dupont's fence line on the land side to the lake side dike. Pond A has been filled. The April 1952 agreement calls for this slope to follow certain elevations; however, Dupont has agreed to accept a uniform slope based on present elevations.

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Perform no additional work on the surfaces of ponds B and C. Some effluent from Dupont's plant is now flowing into pond B and on into pond C. However, the remaining storage capacity in pond B is relatively little. Dupont indicated that they may construct small plastic-lined holding ponds in pond B as it now stands for treating their effluent. Pond C would continue to be used as a settling basin by their plant operations.

we may want to establish some ground cover on all slopes where pumble.

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JOHNSONVILLE STEAM PLANT - RELEASE OF ASH DISPOSAL POND RIGHTS TO DUPONT COMPANY

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6. Advise Dupont of TVA's intent to abandon filling rights in tract XGIR-580 so that Dupont can proceed with its plans. The work of grading the surface of pond A and resloping the dikes for pends A and B would be completed by TVA on or before December 31. 1972. However, TVA's filling rights could be released earlier if necessary with Dupont assuming appropriate responsibility for their operation.

In return for the above, Dupont will:

- 1. Accept all responsibility for the future operation and maintenance, including pollution controls, of ponds A, B, and C, together with their associated dikes and out-falls. This responsibility would pass to Dupont at the time the ponds are released by TVA. Dupont indicated they would want to review and accept our plans for final shaping of the dikes before accepting this condition.
- 2. Release TVA from commitments made in the special warranty deed dated April 1, 1952, and the grant of easement dated September 21, 1956, to fill the ponds to certain elevations and to turn over portions of the ponds to Dupont at regular intervals over a period of years. This has not been done as it was not practical to do so, a fact recognized by Dupont in our July 23 meeting.

Dupont has asked for another meeting on September 9 at Johnsonville Steam Plant to discuss these matters with representatives of their land acquisition and legal departments. Apparently they are quite anxious to have some positive indication from TVA that they can devote the ponds to their exclusive use.

If you or others see no objection to the above proposals we would like to have a representative of your office present for the discussions on September 9. Mr. Drum and Mr. Calvert have been advised of this meeting. If satisfactory terms can be reached, it is our thought that the rights and obligations remaining with both parties can be summarized in one document.

HMC:LEM:YH

CC: William Calvert, 401 AB, Knoxville Fred Chambers, 818 PRB

Dr. O. M. Derryberry, 715 EB Ed Drum, 637 NSB, Knoxville

J. E. Gilleland, 503 PRB

G. H. Kimmons, 607 UB, Knoxville

E. F. Thomas, 1005 KB