



Memorandum from the Office of the Inspector General

September 29, 2009

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## FINAL REPORT – INSPECTION 2009-12695-02 – REVIEW OF DOUGLAS DAM HEADWATER CAMPGROUND

At the request of the Senior Vice President, Office of Environment and Research, we initiated reviews of the 11 Tennessee Valley Authority (TVA) managed campgrounds to determine if (1) campgrounds are being operated in accordance with the program intent and (2) campgrounds' operating controls are functioning as intended. This report addresses our findings pertaining to the Douglas Dam Headwater Campground (Douglas Headwater Campground).

We found that the campground was operating under the program intent, which is to provide public areas for recreation. During our walkdown, we noted that 42 of the 63 campsites were occupied with families enjoying the various amenities the campground has to offer. Additionally, we found that the basic operating controls were the functions of the campground attendant, who is provided by the Retiree Resources Corporation.<sup>1</sup> In summary, we found the operating controls appear to be functioning as intended and campground guidelines were generally being complied with. However, we did note some minor overall program guideline inconsistencies.

### **BACKGROUND**

TVA operates some 100 public recreation areas throughout the Tennessee Valley, including campgrounds, day-use areas, and boat launching ramps. TVA manages 11 campgrounds throughout the Valley and has set out specific campground rules in various TVA documents to help guide the maintenance and operation of these campgrounds. These documents include:

- Stewardship Guideline 7.2.1 - TVA's Recreation Areas
- Stewardship Guideline 7.1.4 - Developed Recreation Area Rules and Regulations

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<sup>1</sup> Retiree Resources Corporation provides experienced retirees to support TVA projects and programs.

- Stewardship Guideline 7.1.1 - Administration of Fee Campgrounds and Pavilion Reservations
- Campground Host Procedures and Campground Regulations Handbook (2008 Edition) (Host Handbook)
- Resident Manager Procedures and Campground Regulations Manual (2009 Edition) (Resident Manager Manual)
- Campground Fee Process provided by Facilities

According to Stewardship Guideline 7.2.1, the 11 TVA-managed campgrounds help provide opportunities for public access to and enjoyment of the river system.

Douglas Headwater Campground is located on the Douglas Reservoir near TVA's Douglas Dam in Sevierville, Tennessee. It contains 63 campsites which provide water and electric hookups. Two of the 63 campsites were constructed to meet former accessibility guidelines.<sup>2</sup> Douglas Headwater Campground contains many amenities including (1) restrooms with heated showers and flush toilets, (2) a dump station,<sup>3</sup> (3) picnic tables, (4) a swimming beach, (5) a boat ramp, (6) a walking trail, (7) a wildlife viewing area, and (8) bird watching.

All of the 11 TVA-managed campgrounds are available on a first-come, first-serve basis; except for Barton Springs, Cherokee Dam, Mallard Creek, Loyston Point, and Melton Hill campgrounds that operate on a lottery system to initially allocate campsites on opening day at the start of camping season and then manage the remaining season on a first-come, first-serve basis. TVA campgrounds charge the same camping rates and fees. Specifically, during the time period we reviewed, TVA daily and monthly rates were:

- For a campsite without water and electric hookups, \$16 daily and \$240 monthly.
- For a campsite with water and/or electric hookups, \$20 daily and \$300 monthly.
- For a campsite with water, electric, and sewer hookups, \$24 daily and \$360 monthly.

America the Beautiful Pass and older Golden Age and Golden Access Passport programs<sup>4</sup> can be used at TVA campgrounds to obtain half-price rentals on daily campsites only.

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<sup>2</sup> We were told by Land and Water Stewardship personnel that campground assessments have been completed and plans are being developed pertaining to the update of campgrounds to current Americans with Disabilities Act guidelines.

<sup>3</sup> A dump station is a place where camper wastewater may be discharged into a sanitary sewer system in a safe and responsible way.

<sup>4</sup> America the Beautiful Access Passes and older Golden Access Passes are for U.S. Citizens or permanent residents with permanent disabilities. America the Beautiful Senior Passes and older Golden Age Passes are for U.S. Citizens or permanent residents age 62 or over. These passes can be purchased through the National Park Service and are lifetime passes.

Facilities Management provided us certain revenue, expense, and occupancy information (i.e., the number days campsites were occupied) for fiscal years 2004 – 2008 for the TVA managed campgrounds, and that information is summarized in Table 1 for Douglas Headwater Campground.

**Table 1**

	2004	2005	2006	2007	2008
<b>Revenue</b>	\$ 123,897	\$ 125,449	\$ 124,073	\$ 129,571	\$ 131,139
<b>Expense</b>	\$ 43,313	\$ 55,705	\$ 87,532	\$ 81,679	\$ 88,816
<b>Occupancy</b>	11926	9751	11550	11090	11033

Four of the 11 TVA-managed campgrounds have a Resident Manager because the campground is not located on a dam reservation. The Resident Manager is to assist TVA in supplying a safe, hazard-free environment for persons using the campgrounds. The Resident Manager is responsible for registering campers, operating the gates, providing information to campers, picking up litter, and various other tasks. Douglas Headwater Campground is a self-service<sup>5</sup> campground and does not have a Resident Manager, but utilizes a Retiree Resources Corporation employee to collect money and provide oversight. TVA Facilities Management takes care of maintenance and upkeep, such as lawn care and bathhouse repairs, at Douglas Headwater Campground.

### **OBJECTIVES, SCOPE, AND METHODOLOGY**

The objectives of our review of Douglas Headwater Campground were to determine if (1) the campground is being operated in accordance with TVA's program intent and (2) the campground's operating controls are functioning as intended. To achieve our objectives, we:

- Interviewed key TVA personnel and reviewed related TVA policies, processes, procedures, and guidelines to identify program intent and operational controls.
- Reviewed TVA-managed campground assessments as prepared by Land and Water Stewardship and Facilities, including scorecards, assessment briefing papers, and electrical reports to identify potential areas of concern.
- Conducted a walkdown of Douglas Headwater Campground to determine whether guidelines are being followed and controls are functioning as intended. During the walkdown, we reviewed daily pay envelopes and receipts to verify payment by campers identified during the walkdown. We also checked some randomly selected pay envelopes to determine if campers paid appropriately.

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<sup>5</sup> These are campgrounds without a Resident Manager which operate on the honor system. Fees are placed in a lockbox and collected by the designated campground attendant and forwarded on to TVA.

- Compared a sample of remittance registers for June 2009 submitted to Facilities for deposit with records maintained at Douglas Headwater Campground to determine whether revenue was accurately reported or discrepancies exist.
- Reviewed historical occupancy reports and revenue information to identify any potential control weaknesses.

The scope of this inspection included activities and operating controls as related to Douglas Headwater Campground. This Inspection was conducted in accordance with the "Quality Standards for Inspections."<sup>6</sup>

## **FINDINGS**

Our review found that Douglas Headwater Campground was operating in accordance with the program intent, which is to provide recreation for the public. Additionally, we found that the basic operating controls were the functions of the campground attendant, who is provided by the Retiree Resources Corporation. The operating controls appear to be functioning as intended. Furthermore, the campground guidelines were generally being complied with. However, we noted some minor inconsistencies when we reviewed applicable TVA guidelines.

## **PROGRAM INTENT**

We observed campers in 42 of the 63 campsites during our visit to Douglas Headwater Campground. We viewed campers enjoying their campsites and public use areas. Also, we observed children playing in the water at the beach, people fishing along the reservoir, and many people making use of the boat ramp. During our walkdown, the campground appeared to be well maintained and in good condition. People swimming at the public beach and a campsite set up for enjoyment are shown in Figures 1 and 2.

**Figure 1**



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<sup>6</sup> The Quality Standards for Inspections issued by the President's Council on Integrity and Efficiency, Executive Council on Integrity and Efficiency, provide standards for conducting inspections in the Inspector General community.

**Figure 2**



## **OPERATING CONTROLS**

Douglas Headwater Campground utilizes a Retiree Resources Corporation employee to act as a campground attendant to collect money and provide oversight. The functions of this campground attendant act as the operating controls for the campground. From review of the campground attendant's job description and discussions with the campground attendant on additional steps performed, the following processes are to be completed:

- Unlocks vault and collects payment envelopes multiple times weekly.
- Reviews amount of money submitted for accuracy.
- Verifies occupied campsites have been paid for.
- Approaches campers that have not paid and collects money owed.
- Tracks and fills out occupancy reports.
- Tracks the campers' length of stay.
- Converts all cash collected to money orders and forwards all payments (including checks) to TVA with a remittance report detailing weekly total.

In prior years at Douglas Headwater Campground, and at other campgrounds, TVA has hired an intern to complete the processes currently being completed by the campground attendant at Douglas Headwater Campground. The Retiree Resources Corporation employee works at Douglas Headwater Campground for 6 months out of the year.<sup>7</sup> For the rest of the camping season, the maintenance supervisor for Facilities at Douglas Dam

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<sup>7</sup> Additionally, the campground attendant performs the same duties at Douglas Dam Tailwater Campground and performs all duties related to revenue collection at Cherokee Dam Campground.

completes the camper attendant's processes to keep the operating controls functioning continuously.

As part of our review, we (1) reviewed camper payments, (2) performed a walkdown of the campground to assess compliance with campground guidelines, and (3) compared all identified manuals and guidelines for consistency. While we found the operating controls were functioning as intended, some control improvement opportunities may exist pertaining to overall program guideline inconsistencies.

### **Camper Payments**

During our walkdown, we noted that 42 of the 63 campsites were occupied. The designated campground attendant opened the vault and showed us the envelopes that had been submitted. For the campsites not paid for in the vault, the campground attendant was able to provide us documentation that the campsites had been previously paid for. Payments were noted for all occupied campsites. Additionally, we spot checked five envelopes and all contained the correct payment amount.

No discrepancies were identified when we compared our judgmentally selected sample of remittance registers from June 2009, provided by Facilities, to the documentation maintained with the campground attendant. In addition, our review of documentation and discussion with the campground attendant found that the length of stay guidelines are being monitored and enforced.

These observations indicate that the operating controls tested are meeting their intended function.

### **Campground Guideline Compliance**

We performed a walkdown of Douglas Headwater Campground, and we found it to be generally operating in accordance with the guidelines. We created a checklist based upon (1) Stewardship Guideline 7.1.4 - Developed Recreation Area Rules and Regulations, (2) Host Handbook, and (3) Resident Manager Manual. We used the checklist during our walkdown to identify whether the campground was in compliance with the guidelines. We found the campground to be clean, well-maintained, and based on our walkdown, operated effectively. Based on the specific criteria in the guidelines, we identified a few noncompliances. They are provided for informational purposes only, and they do not require a response or actions from management. The only noncompliances found were:

- Trash outside of designated disposal area for seven of the 63 campsites, as shown in Figure 3.
- Appliances (i.e., television, microwave, and toaster oven) outside of the camping unit in one campsite, as shown in Figure 4.
- Dogs that appeared to be off leash or on a leash/chain longer than 6 feet at two campsites, as shown in Figure 5.

**Figure 3**



**Figure 4**



**Figure 5**



Additional Walkdown Observation

During our walkdown, we noted a large pot hole on the parking lot at the boat ramp. Before our walkdown was completed, workers had begun repairing the pot hole. The unrepaired pot hole can be seen in Figure 6.

**Figure 6**



**Guideline Alignment and Clarity**

During our review, we compared Stewardship Guideline 7.1.1 - Administration of Fee Campgrounds and Pavilion Reservations, found on the InsideNet, to the Campground Fee Process provided by Facilities (i.e., the 11 TVA-managed campgrounds are supposed to operate under the Campground Fee Process). We noted two differences in these documents relating to administration. Specifically, the Campground Fee Process designates the:

- Administration of the campground to be the responsibility of Operations Support, while Guideline 7.1.1 calls for the administration to be the responsibility of the Watershed Team.
- Campground fees to be submitted to Facilities, while Guideline 7.1.1 calls for the fees to be submitted to the Watershed Team office.

Our review of the Campground Fee Process and discussions with campground personnel noted that pay envelopes should be retained by the campground for their records, but no retention time is prescribed. Individuals associated with the campgrounds solicited our guidance regarding proper retention times. Review of Guideline 7.1.1 noted that Resident Manager is to handle pavilion reservations. However, according to the Resident Manager Manual, pavilion reservations are the responsibility of Facilities Management.

We also reviewed and compared the following three documents: (1) Stewardship Guideline 7.1.4 - Developed Recreation Area Rules and Regulations, (2) Host Handbook, and (3) Resident Manager Manual. Guideline 7.1.4 differs in that:

- Guideline 7.1.4 states that after the initial stay in Zone A (i.e., waterfront and certain other more desirable sites) campers may move to a site in Zone B (i.e., less desirable sites) for two weeks or leave the campground for one week before returning to a desirable site in Zone A. The other two documents state that these campers may move to other sites if available, but may not re-occupy any site(s) previously occupied for 21 consecutive days during that camping season.
- Guideline 7.1.4 states checkout time is 2:00 P.M., while the other two documents state 1:00 P.M.

Furthermore, there were guidelines around pet restrictions that were not consistent in all three documents. For example, Guideline 7.1.4 does not include that "animals considered dangerous are not permitted"; and the handbook and manual do not include that "pets may not be left unattended."

### **RECOMMENDATIONS**

We recommend the Senior Vice President, River Operations:

- Update Stewardship Guideline 7.1.1 to reflect the Campground Fee Process the campgrounds are currently using.
- Develop a retention time for envelopes and campground documentation, and include in the Campground Fee Process.
- Address the inconsistencies in 7.1.4, the Campground Host Procedures and Campground Regulations Handbook, and the Resident Manager Procedures and Campground Regulations Manual.

TVA management reviewed a draft of this report and plans to take corrective actions. Specifically, they will (1) revise Guideline 7.1.1 for alignment, clarity, and process accuracy; (2) work with Business Services and Facilities Management to develop guideline language for retention time for campground pay envelopes and camper receipts; and (3) revise Guideline 7.1.4, and/or "Campground Host Procedures and Regulations Handbook," and/or "Campground Resident Manager Procedures and Regulations."

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This final report is for your review and final action. Your informal written comments, which addressed your management decision and actions planned or taken, have been included in the report. Please notify us when final action is complete.

Janet C. Herrin  
Jeffrey T. Parsley  
Page 10  
September 29, 2009

Information contained in this report may be subject to public disclosure. Please advise us of any sensitive information in this report that you recommend be withheld.

If you have any questions or wish to discuss our observations, please contact Gregory C. Jaynes, Deputy Assistant Inspector General, Inspections, at (423) 785-4810. We appreciate the courtesy and cooperation received from your staff during the inspection.



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Attachment

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