



**Metro District Energy System Advisory Board
Regularly Scheduled Meeting of
May 16, 2013**

Minutes of Meeting

The meeting was held at the Energy Generation Facility at 90 Peabody Street Nashville, TN 37210

Facilitators: Harry Ragsdale, DES Project Contract Administrator and Kevin Jacobs, Thermal Engineering Group

Board Members Present:

Karen Bennett
Joe Cain (*for Jim Thiltgen*)
Joy Harris
Brian Taylor
Tom Thompson

Board Members not Present:

Yuri Cunza
Richard Riebeling
Jim Thiltgen
Tom Turner
Nancy Whittemore

Others Present:

Tim Hestle, CEPS General Manager
Bob Lackey, DES Liaison
Robin Lamborn, DES Advisory Board Secretary

The meeting was called to order by the Chair and began at 10:05 A.M.

A motion to approve the minutes of the November 15, 2012 and February 21, 2013 Board Meetings was made, seconded and approved by the Board.

At the request of the Chair, Mr. Ragsdale proceeded with the presentation to the Board.

Mr. Ragsdale reviewed the customer cost comparison table for the previous twelve (12) months. On an aggregate basis, the steam costs were up 3.10% and chiller water costs were 2.55% lower, both due to cooler temperatures. Services to Metro were higher this quarter due to the Music City Center, which remains in a testing/start-up mode.

Mr. Ragsdale and Mr. Jacobs reviewed and discussed graphs detailing the historic chilled water and steam costs from FY06 through what is anticipated for FY14. Mr. Ragsdale and Mr. Jacobs also discussed a table showing a summary of price changes from FY06 to FY13. Chilled water costs are about the same, while steam costs are considerably cheaper than they were in FY06.

Mr. Ragsdale and Mr. Jacobs discussed the review of the contractor's performance for the third quarter of FY13 and their energy efficiency guarantees. Mr. Jacobs and Mr. Ragsdale provided steam and chilled



water conversion tables for electricity, water, and plant efficiency for the previous year. The contractor's performance continues to remain excellent in all areas.

Mr. Jacobs discussed the contractor's performance for the water treatment. Mr. Jacobs stated that the contractor does a very consistent job in managing and operating the pumps. The contractor's performance is excellent in all areas of water treatment.

Mr. Ragsdale and Mr. Jacobs reviewed the results of the inspections of both the Energy Generating Facility (EGF) and the Energy Distribution System (EDS). Mr. Ragsdale spoke about the maintenance items and stated that Constellation does an excellent job with safety and maintaining a number of strict policies. Continuing areas of focus include water infiltration and corrosion of the structural metal components.

Mr. Ragsdale and Mr. Jacobs provided an update on the natural gas purchasing and discussed the FY13 gas spending and budget comparison. Actual steam send-out and fuel use was more than budgeted due to the increased number of heating degree days. Mr. Ragsdale and Mr. Jacobs discussed the actual and projected gas cost comparison history. Budgeted Unit Costs are more in line with Actual & Projected Unit Costs and Market Unit Prices.

Mr. Ragsdale and Mr. Jacobs reviewed the FY13 costs to date report. Through the end of this period of operations, approximately 69.31% of the FY13 budget (\$19,626,700) has been expended.

The FY14 budget of \$21,648,600 was reviewed with the Board. The budget represents an increase of 10.30% compared to the previous year. Total revenues are projected to increase 14.06% and the Metro Funding Amount is expected to be reduced by 17.12% as a result of the Music City Center and the Hyatt coming online in FY14.

Mr. Ragsdale and Mr. Jacobs provided the Board with an update on capital expenditures. Bond fund expenditures and available balances were reported and summarized. The total amount spent as of the end of the third quarter of FY13 was \$1,158,731. The total remaining balance as of 04/01/13 was \$3,270,960.

Mr. Ragsdale and Mr. Jacobs provided the Board with updates on the various active DES capital projects. Connection service to the Nashville Hyatt Place is complete and construction start up is expected to begin sometime this summer. The Board also received updates on capital projects that are closed or are closing-out, including the tunnel lighting replacement and various manhole repairs. The Time of Use and Thermal Storage project is still ongoing as TOU rates continue to be monitored and alternative storage sites are discussed.

Without further discussion, and upon a motion, the meeting was adjourned by the Chair.

The next Board Meeting will be held Thursday, August 15, 2013 at 10:00 A.M.

Prepared by: _____

Approved: _____

Robin Lamborn, DES Advisory Board Secretary

Karen Bennett, Chair, DES Advisory Board

Date: _____

Date: _____



Approved: _____

Bob Lackey, DES Liaison

Date: _____