



**Metro District Energy System Advisory Board
Regularly Scheduled Meeting of
May 17, 2012**

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
Joy Harris
Lannie Holland *on behalf of Richard Riebeling*
Dianna Stephens *on behalf of Nancy Whittemore*
Brian Taylor
Jim Thiltgen *on behalf of Phil Ryan*
Tom Thompson

Board Members not Present:

Yuri Cunza
Richard Riebeling
Phil Ryan
Tom Turner
Nancy Whittemore

Others Present:

Tim Hestle, CEPS General Manager
Bob Lackey, DES Liaison

The meeting was called to order by the Chair and began at 10:03 A.M.

A motion to approve the minutes of the February 16, 2012 Board Meeting 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 discussed the customer cost comparison for the previous twelve (12) months. On an aggregate basis, the steam costs were down 10.49% as result of fuel prices remaining low. Chilled water costs had a slight increase of 5.02% primarily due to the higher energy rates.

Mr. Ragsdale and Mr. Jacobs discussed the sales for chilled water and steam from January of 2004 until March of 2012 and how the outside temperatures affect each.

Mr. Ragsdale and Mr. Jacobs discussed the review of the contractor's performance for the third quarter of FY12 and their energy efficiency guarantees. The steam and chilled water conversion tables for electricity, water, and plant efficiency were reviewed with the Board. Mr. Jacobs reviewed the chilled water energy losses for the third quarter of FY12 compared to the third quarter of FY11. Mr. Ragsdale provided information regarding a new flow meter that was installed last summer, which measures the actual losses more accurately. Mr. Jacobs and Mr. Ragsdale discussed the steam system water usage and how more efficiently the system is running after replacing condensate return lines last year. As a result of these



improvements, there is an increased amount of condensate returned to the plant, a reduction in water and fuel requirements for the steam system, the temperature of the returned water is higher which helps increase the performance of the boilers, and the water chemistry is improved. Mr. Jacobs stated that Constellation does a very good job of monitoring the water treatment. Overall, the contractor's performance continues to remain excellent in all areas.

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. Jacobs indicated that Constellation does a very good job of maintaining the facility and the distribution system. Continuing areas of focus include: water infiltration, corrosion of the structural metal components, and safety items in the manholes along the distribution system.

Mr. Ragsdale and Mr. Jacobs provided an update on the FY12 gas spending and budget comparison. As of the end of the third quarter, actual fuel costs were 34.4% lower than was budgeted due the unit cost of fuel remaining low.

Mr. Ragsdale and Mr. Jacobs reviewed the FY12 costs to date report. Through the end of this period of operations, approximately 60.68% of the FY12 budget (\$12,601,780) has been expended.

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 remaining balance as of 04/17/12 was \$4,832,064.

Mr. Ragsdale and Mr. Jacobs provided the Board with updates on the various active DES capital projects, including the Tunnel Lighting Replacement Phase III and the Thermal Storage System. The Board also received updates on capital projects that are closing-out, including some manhole repairs and the Music City Convention Center.

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

The next Board Meeting will be held Thursday, August 16, 2012 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: _____