



# **Metro Nashville**

## **DISTRICT ENERGY SYSTEM**

**Metro District Energy System Advisory Board  
Regularly Scheduled Meeting of  
November 15, 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  
Phil Ryan  
Brian Taylor

#### **Board Members not Present:**

Yuri Cunza  
Joy Harris  
Richard Riebeling  
Tom Thompson  
Tom Turner  
Nancy Whittemore

#### **Others Present:**

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

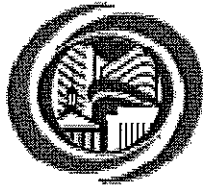
---

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

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 down 12.60% as fuel prices remain low. Chilled water costs increased 3.47% due to higher energy rates.

Mr. Ragsdale and Mr. Jacobs discussed the customer sales for chilled water and steam for the first quarter of FY13 and the previous five years. Chilled water sales for FY13 were high compared to the amount of cooling degree days due to the volume of chilled water consumed by the Music City Center. Likewise, steam sales were also high compared to the amount of heating degree days due to the volume of steam consumed by the Music City Center. The Music City Center's temporary service requirements accounted for 11.6% of the chilled water sales and approximately 20% of the steam sales for the first quarter of FY13. Once construction is complete, the Music City Center is expected to run much more efficiently.



## **Metro Nashville** **DISTRICT ENERGY SYSTEM**

Mr. Ragsdale and Mr. Jacobs discussed the review of the contractor's performance for the first quarter of FY13 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 and Mr. Ragsdale discussed the steam plant efficiency and condensate return data for the previous year. Mr. Jacobs and Mr. Ragsdale also discussed the chiller plant efficiency and water usage data 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. The Tennessee Tower condensate return leak was found, repaired, and is now working properly. For the month of October, 84% of the condensate was returned to the plant, which is the highest amount recorded thus far. Mr. Jacobs stated that the contractor does a very good job of maintaining low water chemistry and 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). Both Mr. Ragsdale and Mr. Jacobs praised Tim Hestle and the Constellation group for doing a great job of maintaining the facility and the distribution system. 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. Mr. Jacobs discussed the FY13 gas spending and budget comparison. Actual consumption at the end of the first quarter was higher than expected due to the Music City Center using more fuel than what was originally estimated. Actual fuel costs were 11.1% lower than what was budgeted due to the unit cost of fuel remaining low. Mr. Ragsdale and Mr. Jacobs discussed the actual and projected gas cost comparison history. Hedging has decreased to around 30% as the actual costs are near the market prices.

Mr. Jacobs reviewed the FY13 costs to date report. Through the end of this period of operations, approximately 25.29% of the FY13 budget (\$20,086,000) has been expended.

Mr. Ragsdale and Mr. Jacobs reviewed the FY13 submitted budget report. The projected total budget for FY13 is \$19,138,155. This is a decrease of 4.72% from FY12. The Metro Funding amount is expected to be approximately 2% less than last year.

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 spend as of the end of FY12 was \$16,869,752. The total remaining balance as of 09/30/12 was \$3,947,529.

Mr. Ragsdale and Mr. Jacobs provided the Board with updates on the various active DES capital projects, including connection service to the Nashville Hyatt Place. The Board also received updates on capital projects that are closed or are closing-out, including the tunnel lighting replacement, various manhole repairs, and the Time of Use and Thermal Storage project.

Mr. Jacobs discussed the potential expansion of the EGF (Energy Generating Facility) due to the current limited ability to send out chilled water to the North through the existing lines. This expansion would include providing additional equipment to the facility to increase the capacity and also building new steam and chilled water service lines down Peabody Street. Mr. Ragsdale and Mr. Jacobs discussed with the Board the new equipment options and other factors to consider.

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

The next Board Meeting will be held Thursday, February 21, 2013 at 10:00 A.M.



**Metro Nashville**  
**DISTRICT ENERGY SYSTEM**

Prepared by: Robin Lamborn

Robin Lamborn, DES Advisory Board Secretary

Date: 05-16-13

Approved: Karen Bennett

Karen Bennett, Chair, DES Advisory Board

Date: 5/16/13

Approved: Bob Lackey

Bob Lackey, DES Liaison

Date: 5-16-13