

CLEVELAND PUBLIC LIBRARY

Board Meeting

June 18, 2020

**RESOLUTION APPROVING CHILLED WATER AGREEMENT WITH
CLEVELAND THERMAL CHILLED WATER DISTRIBUTION, LLC**

WHEREAS, On July 16, 2015, the Board of Library Trustees approved the District Cooling Agreement with Cleveland Thermal Chilled Water Distribution, LLC for service to the Main Library Building and the Louis Stokes Wing for a period of five (5) years; and

WHEREAS, This Agreement expires on August 1, 2020; and

WHEREAS, The Library has negotiated the terms of a ten-year agreement for chilled water services that reduces the per unit annual contract capacity charge and recovery charge from its current amount, and fixes the capacity charge against escalation for the first five years of the agreement. The terms of the agreement are included in the attached Term Sheet Proposal; and

WHEREAS, In addition, Cleveland Thermal has offered to make a one-time contribution to the Cleveland Public Library Foundation to acknowledge the continued partnership with the Cleveland Public Library in the amount of \$650,000, payable after the execution of the chilled water agreement with the Library; now therefore be it

RESOLVED, That the Board of Library Trustees authorizes the Executive Director, CEO or his designee to negotiate and execute an agreement between Cleveland Public Library and Cleveland Thermal Chilled Water Distribution, LLC, for a period of ten-years, incorporating the rates and terms contained in the attached Term Sheet Proposal, subject to review and approval of the agreement by the Library's Chief Legal Officer.

Term Sheet Proposal
For
Chilled Water Service
At
Cleveland Public Library

Corix Cleveland Thermal is honored to serve the Cleveland Public Library with district chilled water service. We appreciate the feedback and insight provided throughout our discussions on the economic and operational goals of the Library. The following is a summary of our offer to help the Library achieve those goals:

Agreement Term: The term of this agreement is (10) years, beginning August 1st, 2020 and will expire on July 31st, 2030.

Annual Building Use: 2,100,000 Ton Hours

Contract Capacity: Fixed 592-Tons

Rate Structure:


Rate Components	Units	Proposed CW Rates
Annual Contract Capacity Charge	\$/Ton-Mth	\$25.7824
Consumption	\$/Ton-Hr	\$ 0.1168
Recovery	\$/Ton-Hr	\$ 0.1500
Total Annual Charges [*]	\$/Ton-Hr	\$ 0.3140

Foundation Gift: \$650,000

Note*: Based off of estimated annual building use of 2,100,000 Ton Hours

Rate Escalators:

- The Capacity Charge will be fixed for the first five years of the contract and will then escalate annually by 2% plus ¼ of the CPI-AU as published by the Bureau of Labor Statistics.
- The Distribution Consumption Charge will escalate by 1.25 the annual CPI-AU as published by the Bureau of Labor Statistics



Seth Whitney
 President, Cleveland Thermal