

AN ORDINANCE 90006

AN ORDINANCE APPROVING THE TERMS AND CONDITIONS AND AUTHORIZING THE EXECUTION OF A MEMORANDUM OF UNDERSTANDING WITH THE SAN ANTONIO WATER SYSTEM ("SAWS") FOR THE FINANCING, DESIGN, AND CONSTRUCTION BY SAWS OF A CHILLED WATER FACILITY IN THE APPROXIMATE AREA OF THE NORTHEAST CORNER OF THE ALAMODOME PARKING LOT A TO MEET THE SERVICE NEEDS OF THE EXPANDED HENRY B. GONZALEZ CONVENTION CENTER.

* * * * *

WHEREAS, City is undergoing an expansion of the Henry B. Gonzalez Convention Center in order to bring total square footage of the Center to 1.3 million and double the exhibit space to 440,000 square feet; and

WHEREAS, SAWS' central plant provides thermal services to 22 chilled water customers and 13 steam customers, with CITY accounting for 75% of its customer load; and

WHEREAS, SAWS' central plant can produce 15,000 TN/HR of chilled water and 80,000 LBS/HR of steam to meet its customers' needs; and

WHEREAS, in order to adequately heat and cool the expanded Center it is projected that the CITY, will need an additional 4,000 TN/HR and 25,000 LBS/HR of steam; and

WHEREAS, SAWS has determined that the City's additional demand for steam is within its current plant capacity but that it cannot meet the CITY'S additional demand for chilled water utilizing its current plant; and

WHEREAS, CITY has therefore requested that SAWS finance the design and construction a facility sufficient to meet the expanded Center's demand for chilled water, the best location for construction of said facility having been determined to be the northeast corner of the Alamodome Parking Lot A; **NOW THEREFORE**:

BE IT ORDAINED BY THE CITY COUNCIL OF THE CITY OF SAN ANTONIO:

SECTION 1. City Council hereby approves the terms and conditions of a Memorandum of Understanding with the San Antonio Water System for the financing, design, and construction of a chilled water facility to meet the heating and cooling demands of the expanded Henry B. Gonzalez Convention Center.

VMZ/svr
6/24/99
Item38

SECTION 2. The City Manager is hereby authorized to execute, for 45 days following the effective date of this ordinance, said Memorandum of Understanding, a copy of which is affixed as Exhibit I. Failure to execute this agreement within said time frame shall result in this authority being void and thereby requiring further City Counsel authority to execute the agreement.

SECTION 3. This ordinance shall become effective ten (10) days after the passage hereof.

PASSED AND APPROVED this 24th day of June, 1999


M A Y O R

ATTEST: 
City Clerk

Howard W. Peak

APPROVED AS TO FORM: 
for City Attorney

99 - 25

MEETING OF THE CITY COUNCIL

-ALAMODOME
AVIATION
ASSET MANAGEMENT
BUDGET & EMPLOYEE SERVICES
BUDGET & EMPLOYEE SERVICES - PERSONNEL
BUILDING INSPECTIONS
BUILDING INSPECTIONS - HOUSE NUMBERING
CITY ATTORNEY
CITY ATTORNEY - MUNICIPAL COURT PROSECUTORS
CITY ATTORNEY - RISK MANAGEMENT
CITY MANAGER
CITY PUBLIC SERVICE - GENERAL MANAGER
CITY PUBLIC SERVICE - MAPS & RECORDS
CODE COMPLIANCE
COMMERCIAL RECORDER (PUBLISH)
COMMUNITY INITIATIVES
COMMUNITY RELATIONS
COMMUNITY RELATIONS - PUBLIC INFORMATION
CONVENTION & VISITORS BUREAU
CONVENTION CENTER EXPANSION OFFICE
CONVENTION FACILITIES
CULTURAL AFFAIRS
ECONOMIC DEVELOPMENT
FINANCE - DIRECTOR
FINANCE-ASSESSOR
FINANCE-CONTROLLER
FINANCE-GRANTS
FINANCE-TREASURY (WITH ATTACHMENTS)
FIRE DEPARTMENT
HOUSING & COMMUNITY DEVELOPMENT
INFORMATION SERVICES
INTERGOVERNMENTAL RELATIONS
INTERNAL REVIEW
INTERNATIONAL AFFAIRS
LIBRARY
METROPOLITAN HEALTH DISTRICT
MUNICIPAL CODE CORPORATION (PUBLISH)
MUNICIPAL COURTS
NEIGHBORHOOD ACTION
PARKS & RECREATION
PLANNING DEPARTMENT
PLANNING DEPARTMENT - DISABILITY ACCESS
PLANNING DEPARTMENT - LAND DEVELOPMENT SVC
POLICE DEPARTMENT
POLICE DEPARTMENT - GROUND TRANSPORTATION
PUBLIC WORKS DIRECTOR
PUBLIC WORKS - CAPITAL PROJECTS
PUBLIC WORKS - CENTRAL MAPPING(W/ATTACHMT)
PUBLIC WORKS - ENGINEERING
PUBLIC WORKS - PARKING DIVISION
PUBLIC WORKS - REAL ESTATE
PUBLIC WORKS - SOLID WASTE
PUBLIC WORKS - TRAFFIC ENGINEERING
PURCHASING & GENERAL SERVICES
YOUTH INITIATIVES
1 S.A. WATER SYSTEM

AGENDA ITEM NUMBER: 38

DATE: JUN 24 1999

MOTION: Carpenter Parks

ORDINANCE NUMBER: 90006

RESOLUTION NUMBER: _____

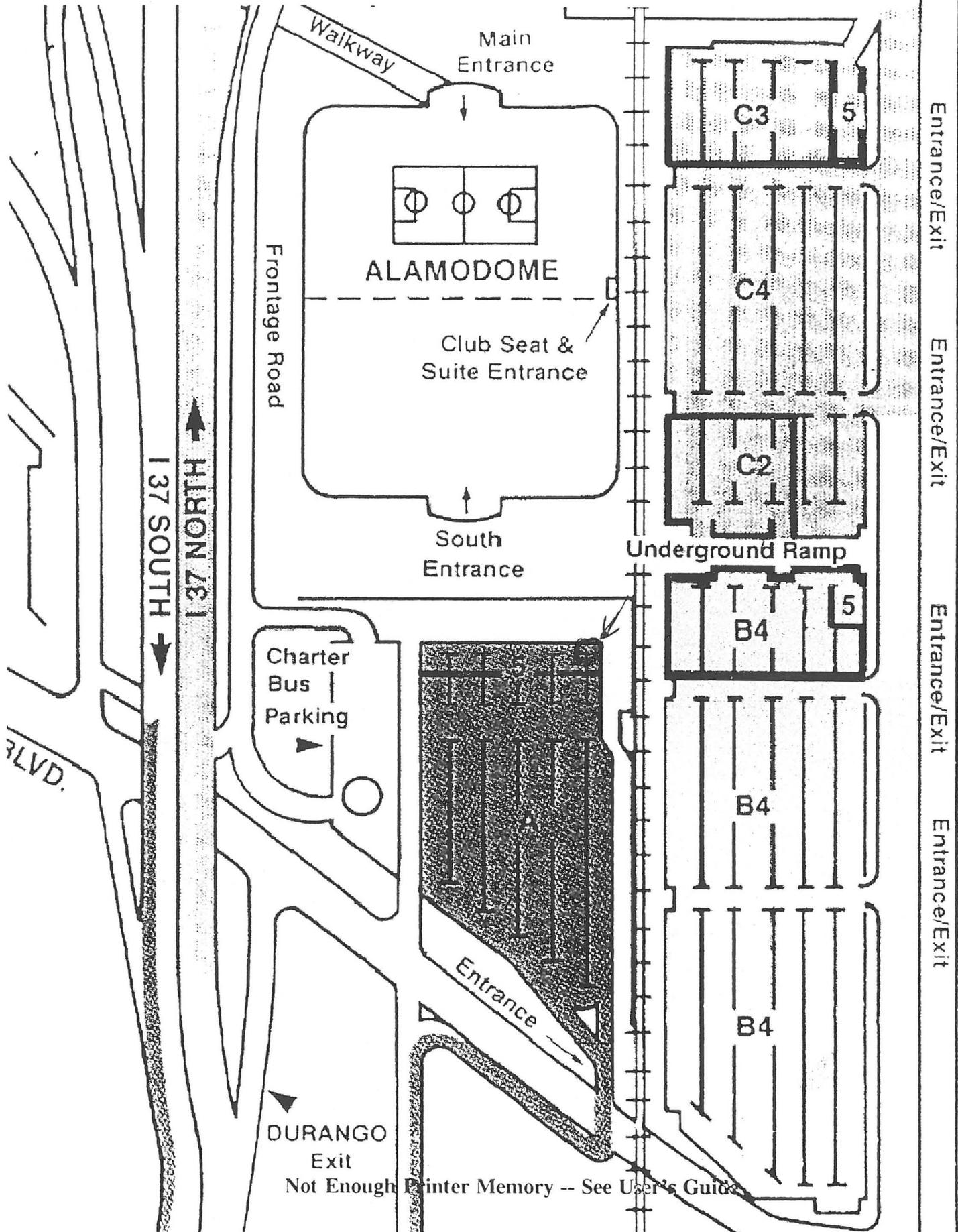
ZONING CASE NUMBER: _____

TRAVEL AUTHORIZATION: _____

NAME	ROLL	AYE	NAY
BOBBY PEREZ District 1		✓	
MARIO SALAS District 2		<i>absent</i>	
DEBRA GUERRERO District 3			ABSENT
RAUL PRADO District 4		✓	
RICK VASQUEZ District 5			ABSENT
JOSE MENENDEZ District 6		<i>absent</i>	
ED GARZA District 7		✓	
BONNIE CONNER District 8		✓	
TIM BANNWOLF District 9		✓	
DAVID CARPENTER District 10		✓	
HOWARD W. PEAK Mayor		✓	

FILE (ORIGINAL) (WATER FILE) "SAN ANTONIO WATER SYSTEM"
 (COPY) "HENRY B. GONZALEZ
 CONVENTION CENTER"
 99-25 (COPY) "CONVENTION CENTER
 EXPANSION PROJECT"

EXHIBIT I



CONVENTION CENTER EXPANSION OFFICE
Interdepartmental Correspondence Sheet

TO: MAYOR AND CITY COUNCIL

FROM: JELYNNE LeBLANC BURLEY, DIRECTOR, CONVENTION CENTER
EXPANSION OFFICE

COPIES: ALEXANDER E. BRISENO, CITY MANAGER; JOE ACEVES, SPECIAL
PROJECTS CONSULTANT

SUBJECT: CITY OF SAN ANTONIO AND SAN ANTONIO WATER SYSTEM
MEMORANDUM OF UNDERSTANDING FOR CHILLED WATER PLANT

DATE: May 21, 1999

SUMMARY AND RECOMMENDATION

This ordinance approves the terms and conditions and authorizes the execution of a Memorandum of understanding (MOU) with the San Antonio Water System ("SAWS") for the financing, design, and construction by SAWS of a chilled water facility. The facility will be approximately located on the northeast corner of Alamodome parking Lot A and just south of the Alamodome building, to meet the air conditioning service needs of the expanded Henry B. Gonzalez Convention Center.

Staff recommends approval of this ordinance.

BACKGROUND

The staff, during the "B" Session of April 8, 1999, presented the quarterly status update of the Convention Center Expansion Project. Staff indicated to Council that SAWS had offered to finance, design and construct the thermal plant expansion (chilled water facility) needed to provide for the air conditioning requirements of the Convention Center Expansion.

SAWS has been providing chilled water service to 22 customers and steam service to 13 customers since 1968. The City is presently 75% of the customer load and will be 85% of the customer load after the completion of the Convention Center Expansion Project.

As part of the MOU, SAWS will:

1. Provide the financing, design, and construction of a chilled water facility with a capacity of 4,000 tons.
2. Provide from the existing (no expansion needed) steam plant, 25,000 pounds of steam capacity.
3. Utilize its best efforts to complete the project by February 1, 2001.
4. Provide temporary capacity if needed at the City's cost.
5. Utilize the City's environmental consultant for the project as part of the project costs.
6. Coordinate both the design and construction with appropriate City staff.
7. Award and manage the construction contract after consideration by City Council of chilled water and steam rate adjustments.

As part of the MOU the City agrees to:

1. Provide at no cost, a lease for the land for the chilled water facility and easements needed to make pipe line connections only for City-owned facilities.
2. Maintain approval authority of site plans and property requirements including location, temporary easements and permanent easements.
3. Monitor and retain control of proper disposal of all excavated material.
4. Pay for the incremental environmental cost to properly dispose of excavated material.
5. Pay for costs of temporary chillers if needed.
6. Pay a connection cost of \$200,000 to connect the facility to pipe lines at the Alamodome.
7. Pay for demand charges upon beneficial use or February 1, 2001, whichever is later.
8. Enter into a mutually agreeable contract with SAWS for chilled water and steam service to the Convention Center after consideration by City Council of SAWS' proposed chilled water and steam rate adjustments.

As part of the MOU both the City and SAWS agree:

1. That SAWS proposed rate adjustments shall receive the required review and analysis by the Public Utilities Supervisor's Office of the Finance Department.
2. That approval of the MOU does not obligate or commit the City to approval of SAWS proposed rate adjustments.

FINANCIAL IMPACT

Approval of this ordinance will have no financial impact to the City. However, before construction of the facility begins a connection cost of \$ 200,000 and the incremental environmental costs to properly dispose of excavated material during construction, will be paid by the City out of Convention Center Expansion Project funds. The operating costs for daily service to the Center will also increase upon completion of the chilled water facility and the Center expansion due primarily to the increased area to be air conditioned.

POLICY ANALYSIS

Approval of this MOU is consistent with past policy to have SAWS provide chilled water and steam service to the Convention Center.

SUPPLEMENTARY COMMENTS

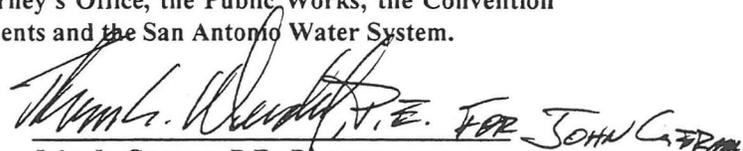
The SAWS Board will consider approval of the MOU at the July 1999 meeting. This item does not require an Ethics Disclosure Statement.

COORDINATION

This item has been coordinated with the City Attorney's Office, the Public Works, the Convention Center Facilities, the Finance, Alamodome Departments and the San Antonio Water System.



Jelyanne L. Blanc Burley, Director
Convention Center Expansion Office



John L. German, P.E., Director
Public Works Department

APPROVED:



Joe A. Aceves, P.E.
Special Projects Consultant



Alexander E. Briseño
City Manager

**MEMORANDUM OF UNDERSTANDING
FOR
EXPANDED CHILLED WATER AND STEAM SERVICE
TO THE HENRY B. GONZALEZ CENTER**

STATE OF TEXAS)
)
COUNTY OF BEXAR)

THIS MEMORANDUM OF UNDERSTANDING "AGREEMENT" is entered into by and between the CITY OF SAN ANTONIO, ("CITY") a Texas municipal corporation, acting by and through its City Manager, pursuant to Ordinance No. _____ passed and approved by the City Council on _____, 1999, and the SAN ANTONIO WATER SYSTEM, a wholly owned municipal water, waster water and water recycling agency of the CITY OF SAN ANTONIO ("SAWS") acting pursuant to a resolution of its Board of Trustees passed and approved on _____, 1999.

WITNESSETH:

WHEREAS, CITY is undergoing an expansion of the Henry B. Gonzalez Center ("Center") in order to bring total square footage of the Center to 1.3 million and double the exhibit space to 440,000 square feet; and

WHEREAS, SAWS' central plant provides thermal services to 22 chilled water customers and 13 steam customers, with CITY currently accounting for 75% of its customer load; and

WHEREAS, SAWS' central plant can produce 15,000 TN/HR of chilled water and 80,000 LBS/HR of steam to meet its customers' needs; and

WHEREAS, in order to adequately heat and cool the expanded Center it is projected that the CITY will need an additional 4,000 TN/HR and 25,000 LBS/HR of steam; and

WHEREAS, SAWS has determined that the City's additional demand for steam is within its current plant capacity but that it cannot meet the CITY's additional demand for chilled water utilizing its current plant; and

WHEREAS, CITY has therefore requested that SAWS finance the design and construction of a facility sufficient to meet the expanded Center's demand for chilled water, the best location for construction of said facility having been determined to be the northeast corner of the Alamodome Parking Lot A, as generally set out in Exhibit 1;

NOW THEREFORE, the parties agree hereto as follows:

In consideration of the promises and the mutual covenants and agreements of the parties hereto to be by them respectively kept and performed as hereinafter set forth, it is agreed as follows:

I. SAWS OBLIGATIONS

- 1.1 SAWS shall fund the design and construction (excluding incremental costs as that term is used in Section 2.3 herein) of a chilled water facility (hereinafter referred to as "Facility") in the area generally set out in Exhibit I, to meet an additional demand of 4,000 TN/HR for the Center. SAWS shall fund routine environmental consulting services required during the design and construction of the Facility and performed by Cook-Joyce, Inc. presently under contract with the City, in an amount not to exceed thirty thousand dollars (\$30,000.00). SAWS will provide the additional 25,000 LBS/HR of steam required for the Center using its current and available existing plant capacity. Debt financing for the design and construction of the Facility shall be provided by SAWS utilizing the additional revenue received from the increase demand of the expanded Center.
- 1.2 SAWS shall utilize its best efforts to complete the Facility by February 1, 2001. However, SAWS will have no liability whatsoever in the event construction of the Facility is not completed for the opening of the Center. In the event temporary chillers and cooling towers are needed to meet the Center's schedule, SAWS will provide such equipment, the cost for which will be reimbursed by CITY in accordance with Section 2.4.
- 1.3 Contracts for required professional services and contractors shall be solely between SAWS and the contractors. Notwithstanding the foregoing, SAWS shall consult with the CITY on its intended selection of contractors.
- 1.4 SAWS shall coordinate both the design and construction of the Facility with the appropriate staffs of the Convention Center Expansion Office, Convention Facilities Department, the Alamodome Department, and the Environmental Services Division of the Public Works Department. It is understood that access to the construction site may be restricted during Alamodome events and that only individuals with credentials issued by the Alamodome will have access to the site at all times.
- 1.5 SAWS shall insure that both during the construction of the Facility, and after completion of the construction of the Facility, the site for the Facility will be maintained in a safe and presentable manner.
- 1.6 SAWS and its consultants and contractors shall attend meetings with CITY staff to insure that the concerns of all parties are addressed.

- 1.7 SAWS shall award and manage the construction contract for the Facility after consideration by the City Council of SAWS' proposed chilled water and steam rate adjustment.
- 1.8 It is anticipated that sufficient financing for the design and construction of the Facility (approximately \$6.5 million) will be provided utilizing the additional revenue to be generated from the demand of the expanded Center and the application of the proposed chilled water and steam rate adjustment. In the event sufficient funds are not available for SAWS to design, construct, own, operate, and maintain the Facility, the execution of this MOU does not obligate SAWS to so design, construct, own, operate, and maintain the Facility. However, if it is determined that sufficient funds are not available, both the City and SAWS agree to re-negotiate the issue of financing the design and construction of said Facility.

II. CITY OBLIGATIONS

- 2.1 CITY shall provide a long term lease, at no cost to SAWS, for the use of property set out in Exhibit 1 to construct, operate, and maintain the Facility. CITY will also grant SAWS all necessary distribution easements at no cost to SAWS. In the event such Facility is expanded to provide service to non-City owned Facilities the City and SAWS agree to negotiate appropriate compensation for such portion of the Facility.
- 2.2 CITY shall maintain approval authority of site plans and, property requirements including location, temporary easements and permanent easements.
- 2.3 The CITY shall monitor and control the excavation, transportation and disposal of all excavated material from the site. The CITY shall be responsible for all incremental costs including environment service costs associated with the excavation, transportation and disposal of contaminated material excavated from the Alamodome due to environmental requirements of the Texas Natural Resources Conservation Commission (TNRCC). Such costs shall be deemed incremental to those costs normally associated with the excavation, transportation and disposal of non-contaminated materials, payment for which shall be the responsibility of SAWS. The CITY shall reimburse SAWS for all such incremental costs during the design and construction of the Facility.
- 2.4 CITY shall reimburse SAWS for its documented costs of providing temporary chillers and towers to serve the Center in the event SAWS is unable to complete construction of the Facility by February 1, 2001.
- 2.5 CITY shall pay SAWS a connection fee of \$200,000 for the extension of lines required in connecting the Facility to the existing chilled water distribution system. The City shall pay such connection fee prior to or at the time of the award of the construction contract for the Facility.

- 2.6 CITY shall be responsible for the payment of increased demand charges for the Expanded Center upon beneficial use of the new Facility or February 1, 2001, whichever is latter.
- 2.7 CITY shall enter into a mutually agreeable contract with SAWS for chilled water and steam service to the Center, which contract shall be executed following consideration by the City Council of SAWS' proposed chilled water and steam rate adjustment.
- 2.8 The SAWS' proposed rate adjustment shall undergo the required review and analysis by the Public Utilities Supervisor's Office under the Finance Department of the City. This MOU does not obligate or commit the City Council to the approval of any proposed rate adjustment for SAWS' steam or chilled water service.

III. INDEMNIFICATION/INSURANCE

- 3.1 Consultants and contractors retained by SAWS in connection with the design and construction of the Facility shall indemnify the CITY and insure against losses which may occur while working on the Alamodome site in a manner set out in Exhibits 2 and 3.

IV. ADDITIONAL CONSENT REQUIRED

- 4.1 All CITY financial obligations, including the environmental cost referenced in Section 2.3 and the connection fee payment referenced in Section 2.5, are subject to City Council appropriation of funds.
- 4.2 The contract for chilled water and steam service to the Center referenced in Section 2.6 is subject to City Council approval.
- 4.3 All SAWS financial obligation including the design and construction obligations set out in Section 1.1, are subject to San Antonio Water System Board of Trustees appropriation of funds.

V. NOTICES

SAWS

3930 E. Houston
San Antonio, Texas 78220

CITY

P.O. Box 839966
San Antonio, Texas 78283-3966

VI. MODIFICATION OF AGREEMENT

6.1 Any amendment to or modification of the Agreement requires approval from both the City Council and San Antonio Water System Board of Trustees.

VII. PREVIOUS AGREEMENTS

7.1 This agreement supercedes any and all previous agreements by and between the parties as to the provision of chilled water and steam service to the Center.

VIII. TIME IS OF THE ESSENCE

8.1 Time is of the essence in all matters pertaining to this Agreement.

IN WITNESS WHEREOF, the parties have hereunto affixed their signature, the City of San Antonio on the ____ day of _____, 19 __, and the San Antonio Water System on the ____ day of _____, 19 __.

CITY OF SAN ANTONIO

SAN ANTONIO WATER SYSTEM

By: _____
Name: _____
Title: _____

By: _____
Name: _____
Title: _____

ATTEST:

ATTEST:

City Clerk

APPROVED AS TO FORM:

APPROVED AS TO FORM:

City Attorney

Senior Counsel

List of Attached Exhibits:

CITY COUNCIL MEETING
JUNE 24, 1999
Item 38

BACKGROUND

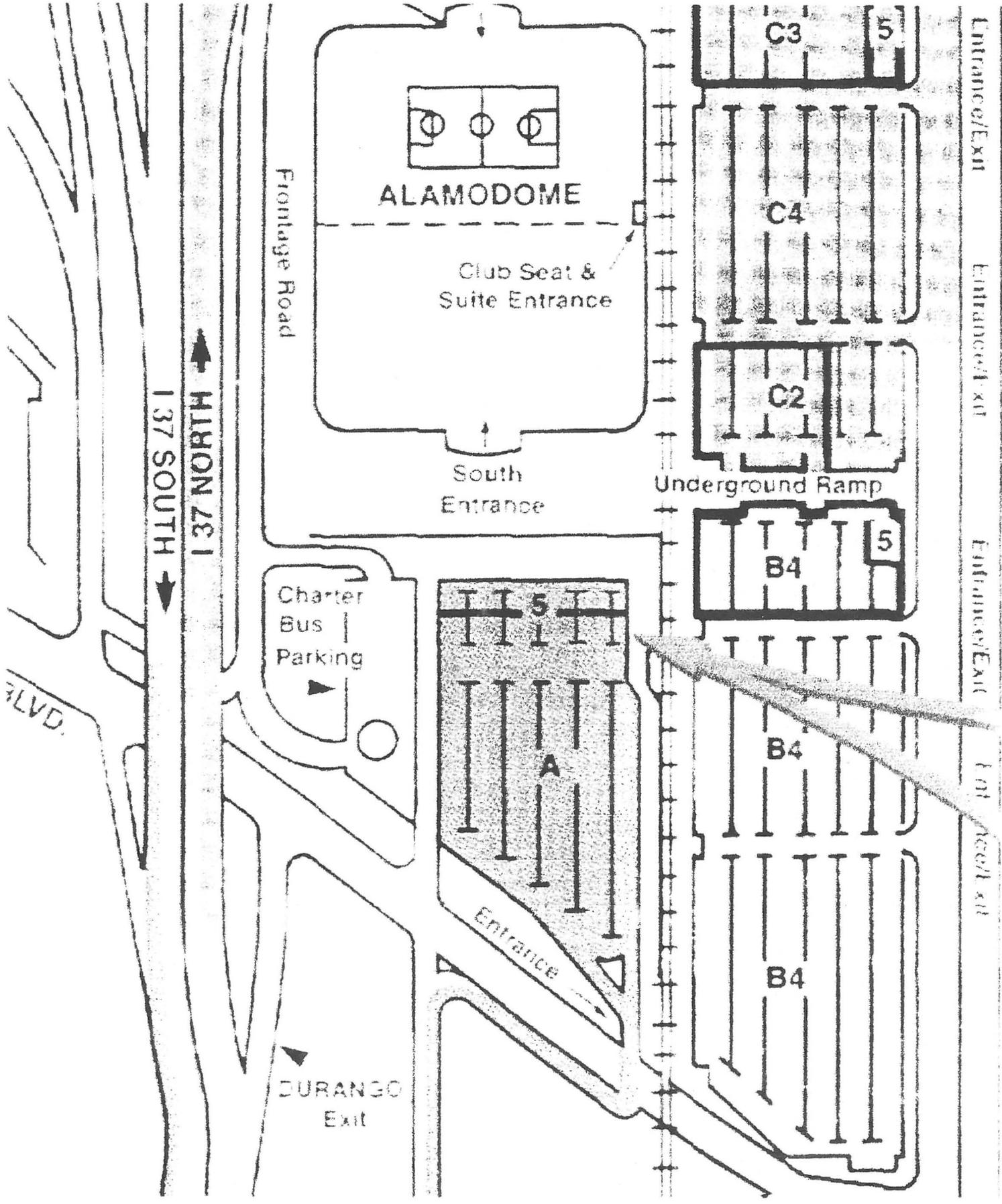
- **Convention Center Expansion Project (CCEP) requires an additional 4,000 tons of air conditioning capacity from SAWS chilled water plant**
- **CCEP had budgeted over \$3 million to construct need plant expansion (thermal storage tank)**
- **Construction estimates came in at appx. \$6 million so staff searched for options**

BACKGROUND

- At “B” Session of April 8, 1999 staff presented Convention Center Expansion (CCEP) status update
- SAWS offer to finance, design, and construct expansion of chilled water plant was included
- SAWS has been providing chilled water for air conditioning to 22 customers and steam service to 13 customers since 1968

BACKGROUND

- **City facilities currently are 75% of customer load of chilled water plant**
- **City facilities will be 85% of customer load of chilled water plant upon completion of Convention Center Expansion**
- **Chilled Water Plant is proposed to be located on the northeast corner of Alamodome Parking Lot A**



BACKGROUND

- **Other locations on Alamodome property will be studied during initial engineering design**
- **Any change in location will be presented to Council during next CCEP update**
- **Memorandum of Understanding (MOU) needed by SAWS to proceed with plant design**
- **SAWS has awarded engineering contract⁵**

SAWS' MOU TERMS

- Provide financing, design, and construction, for 4,000 Tons of chilled water capacity
- Provide 25,000 pounds of steam capacity from existing plant capacity
- Utilize best effort to complete plant expansion by February 1, 2001
- Provide temporary capacity at City's cost
-

SAWS' MOU TERMS

- Utilize City's environmental consultant
- Coordinate design and construction with City staff
- Award and manage the construction contract after Council consideration of chilled water and steam rate adjustments
-

CITY'S MOU TERMS

- **Provide lease of land and easements to SAWS at no cost for plant use only for City owned facilities**
- **City has approval authority of site plans, location, and easements**
- **City to monitor and control excavated material disposal**
- **City will pay incremental environmental site costs - estimated at \$150,000**

CITY MOU TERMS

- **City will pay costs for temporary chilled water service if needed**
- **City will pay a connection fee of \$200,000**
- **City will pay demand (facility) charges upon use or February 1, 2001**
- **Enter new contract for service after Council consideration of rate adjustments**

CITY AND SAWS AGREE

- **SAWS rate adjustments shall receive the normal required review and analysis of the Public Utilities Supervisors Office of the Finance Department**
- **Approval of MOU does obligate City to approve rate adjustments**

FINANCIAL IMPACT

- **Connection fee of \$200,000 from CCEP funds**
- **Incremental environmental costs estimated at \$150,000 from CCEP funds**
- **Increased operating cost from Convention Facilities operating budget for increased area to be air conditioned**
-