

Indian River County, Florida
Solid Waste Disposal District
Board Memorandum

Date: February 8, 2023

To: Michael C. Zito, Interim County Administrator

From: Sean C. Lieske, Director of Utility Services

Prepared By: Himanshu H. Mehta, PE, Managing Director, Solid Waste Disposal District

Subject: Addendum to Base Contract with Tiger Inc for Sale and Purchase of Natural Gas

Descriptions and Conditions:

On July 13, 2021, the Indian River County (IRC) Solid Waste Disposal District (SWDD) Board approved the Wastewater Treatment Agreement (WWTA) between SWDD and Indian River Sustainability Center, LLC (IRSC). This agreement is for the design, construction, and operation of a 30,000 gallon per day evaporation plant to treat the landfill leachate on-site rather than sending it to the IRC West Regional Wastewater Treatment facility (WRWWTF).

As part of the WWTA, SWDD is responsible for providing the “fuel source” to evaporate the leachate. In our case, the system has been designed to operate using landfill gas, natural gas or both. At this time, landfill gas is not readily available to start the leachate evaporator project.

Therefore, SWDD staff has been coordinating with Florida City Gas (FCG) for an installation of a dedicated natural gas line to our property which has been done. In addition, FCG is scheduled to install the gas meter the week of February 13, 2023. There will be standard monthly costs from FCG for the transportation and measurement of the natural gas. In addition, FCG does a pass-through cost for the natural gas which fluctuates on a monthly basis. Alternatively, per recommendation by FCG, SWDD has an option to purchase natural gas on a fixed-cost basis from a third-party marketer.

The purpose of this agenda item is for the SWDD Board to review and approve the attached Base Contract and Addendum to Base Contract with Tiger, Inc. to for sale and purchase of natural gas.

Analysis:

SWDD staff reviewed the list of third-party marketers and with assistance from the County Attorney’s office were able to favorably negotiate the attached addendum to the base contract with Tiger, Inc.

Monthly consumption is expected to be 13,140 million British thermal units (MMBtu) per month or 131,400 therms. Florida City Gas estimated the gas market pass-through cost of \$7.906/MMBtu or \$0.7906/therms, which results in a monthly cost of \$103,885 (that assumes 100% capacity factor/utilization). Conversely, Tiger, Inc. provided a current fixed pricing of \$5.38/MMBtu or

SWDD Item

\$0.538/therms for a monthly cost of \$70,693. Given the fluctuation in the natural gas markets, SWDD staff recommends going with a fixed price contract.

Funding:

Funding for the Leachate Evaporator project is budgeted and available in the SWDD/Landfill/Other Contractual Services account, number 41121734-033490, for a total amount of \$1,000,000, which is funded from the SWDD assessments and user fees.

Description	Account Number	Amount
SWDD/Landfill/Other Contractual Services	41121734-033490	\$1,000,000

Recommendation:

Staff recommends approval from the Solid Waste Disposal District Board to approve the Base Contract with Tiger, Inc. and the Addendum to Base Contract with Tiger, Inc. for Sale and Purchase of Natural Gas and authorize the Chairman to sign the necessary documents to effectuate the approval.

Attachment (s):

- Base Contract with Tiger, Inc.
- Addendum to Base Contract with Tiger, Inc.