

Indian River County, Florida
Solid Waste Disposal District
Board Memorandum

Date: February 29, 2024

To: The Solid Waste Disposal District Board of Commissioners

Through: John A. Titkanich, Jr., County Administrator
Sean C. Lieske, Director of Utility Services

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

Subject: Renewal with Tiger Inc for Sale and Purchase of Natural Gas

Descriptions and Conditions:

On February 21, 2023, the Indian River County (IRC) Solid Waste Disposal District (SWDD) Board approved a Base Contract and an Addendum to the Base Contract (Agreement) with Tiger, Inc. for sale and purchase of natural gas. Tiger, Inc. is a fixed-based cost third party marketer for the natural gas utilized by the Indian River Sustainability Center, LLC (IRSC) for the leachate evaporator project. The Agreement provided a Transaction Confirmation #1 with a fixed-based cost of \$0.4572 per therm with a delivery period from March 1, 2023, through August 31, 2023. On August 19, 2023, The IRC SWDD Board approved Tiger Gas Transaction Confirmation #2 with a fixed base cost of \$0.4991 per therm for the period starting September 1, 2023, through February 29, 2024.

Staff recommends approval of the renewal of the Agreement via a Transaction Confirmation #3 to extend the fixed-based cost to \$0.4205 per therm for the period starting March 1, 2024, through May 31, 2024. This is a decrease of \$0.0786, or 15.7%, per therm.

Analysis:

Monthly consumption was expected to be 13,140 million British thermal units (MMBtu) per month, or 131,400 therms. However, actual monthly usage for eight consecutive fully operational months has been approximately 76,000 therms. In the original Agreement, SWDD was purchasing 110,000 therms per month and then getting less than 50% credit for the unused therms. In Transaction Confirmation #3, staff has reduced the purchase to 90,000 therms. This is a conservative estimate of usage above the average usage of 76,000 therms for the past eight months.

At the new fixed-based cost of \$0.4205 per therm, staff estimate an approximate monthly cost of \$38,000, or \$114,000 for the three-month term. Please note, this fixed-based cost will be adjusted to reflect the actual spot price on the day Transaction Confirmation #3 is approved. Therefore, the contract date and the spot price will be updated accordingly and what is attached is a sample.

Funding:

Funding of \$114,000 is available within the Leachate Evaporator project budget from the SWDD/Landfill/Leachate Evaporator Expenses account, number 41121734-033493, which is funded from the SWDD assessments and user fees.

Description	Account Number	Amount
SWDD/Landfill/ Leachate Evaporator Expenses	41121734-033493	\$114,000

Recommendation:

Staff recommends approval from the Solid Waste Disposal District Board to approve the Transaction Confirmation #3 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):

Transaction Confirmation #3 with Tiger, Inc.