

**Indian River County, Florida
Solid Waste Disposal District
Board Memorandum**

Date: May 28, 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: Amended Renewal No. 4 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 the 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. On March 19, 2024, the SWDD Board approved Tiger Gas Transaction Confirmation #3 with a fixed based cost of \$0.4205 per therm for the period starting March 1, 2024, through May 31, 2024. On May 21, 2024, the SWDD Board approved Tiger Gas Transaction Confirmation #3 with a fixed based cost of \$0.439 per therm for the period starting June 1, 2024, through August 31, 2024

However, as mentioned in the staff agenda item, this fixed-based cost would be adjusted to reflect the actual spot price on the day Transaction Confirmation #4 is approved. On May 23, 2024, we received correspondence from Rachel Strealy, Tiger Gas, indicating that the 3-month price had risen to \$0.612 per therm or a 39% increase; however, if we wanted to extend the term to six or seven months, then they could offer a fixed price of \$0.5245 per therm which is about a 19% increase. The decision had to be made by May 31, 2024.

To avoid further uncertainty with the natural gas pricing and based on past SWDD Board support, staff proceeded to lock in the seven-month rate of \$0.5245 per therm for the period starting June 1, 2024, through December 31, 2024, prior to the May 31, 2024, deadline.

The purpose of this agenda item is to get SWDD Board ratification of staff decision to lock in the seven-month rate or to approve a seven-month renewal at the actual spot price on the day approved by the SWDD Board.

Analysis:

The contract calls for SWDD to pay Tiger Gas for 90,000 British thermal units (MMBtu) per month throughout the contract period.

At the new fixed-based cost of \$0.5245 per therm, staff estimate a maximum monthly cost of \$47,205, or \$330,435 for the seven-month term. This can be reduced if the evaporator uses less than 90,000 MMBtu during a given month. If the evaporator uses less than the contracted amount, SWDD is credited back a portion of what Tiger Gas is able to sell back on the open market.

Please note, if the SWDD Board selects Option #2 below, this fixed-based cost will be adjusted to reflect the actual spot price on the day the Amended Transaction Confirmation #4 is approved. Therefore, the contract date and the spot price will be updated accordingly and what is attached is a sample.

Funding:

Funding of \$330,435 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	\$330,435

Recommendation:

Staff is requesting the Solid Waste Disposal District Board to consider either Option 1 or Option 2:

- Option #1:** Ratify Staff decision to lock in the seven-month rate of \$0.5245 per therm for the period starting June 1, 2024, through December 31, 2024, prior to the May 31, 2024, deadline; or
- Option #2:** Approve a seven-month renewal at the actual spot price on the day approved by the SWDD Board.

Staff recommends Option #1 and requests the SWDD Board to approve the Amended Transaction Confirmation #4 with Tiger, Inc. for the Sale and Purchase of Natural Gas, and authorize the Chairman to sign the necessary documents to effectuate the approval.

Attachment (s):

Amended Transaction Confirmation #4 with Tiger, Inc.