Memorandum

MIAMI-DADE COUNTY

Date: October 7, 2008

Agenda Item No. 18(A)(3)

To: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

From: George M. Burgess
County Manager

Subject: Resolution ratifying the execution of Amendment No. 1 to a Natural Gas Transportation Service Agreement between Miami-Dade County and Florida City Gas

RECOMMENDATION

It is recommended that the Board of County Commissioners ratify the attached resolution which executes Amendment No. 1 to the Natural Gas Transportation Service Agreement between Florida City Gas and Miami-Dade County through the Miami-Dade Water and Sewer Department (WASD). The original agreement allows WASD to connect to Florida City Gas's pipeline distribution system for the delivery of natural gas fuel. Amendment No. 1 extends the original agreement for an additional 180 days to avoid a gap in service between the expiration date of the original agreement (June 30, 2008) and the replacement contract.

SCOPE OF AGENDA ITEM

The impact of this item is county-wide.

FISCAL IMPACT/FUNDING SOURCE

The fiscal impact of Amendment No. 1 is $75,000 which accounts for the delivery of approximately 3,750,000 therms (a unit of measure) over a six month time period. WASD will pay an average of $0.019 cents in transportation charges on a per therm basis for the delivery of natural gas which is well below the current published tariff rate of $0.1225 per therm.

TRACK RECORD/MONITOR

WASD's procurement section will monitor the agreement.

BACKGROUND

On October 19, 1999, the Board approved Resolution R-1143-99 waiving formal bid procedures and facilitating a natural gas transportation service agreement between the County and Florida City Gas. WASD projected savings of $4.9 million over a 10-year period, from January 2000 through December 2007. However, WASD had a combined savings on commodity and local transportation of over $10 million.

Amendment No. 1 provides for Florida City Gas to transport natural gas shipments to the Alexander Orr, Hialeah and the South District Wastewater Treatment Plants. Amendment No. 1 has been approved by Florida City Gas. Both the amendment and the corresponding replacement contract were approved due to health and safety activities through Resolution R-867-08, which authorizes the Mayor or Mayor's designee to conduct business during the summer recess period. Amendment No. 1 meets the criteria for the ratification agenda as natural gas is the fuel used in the process of producing softened water which is a part of the County's water treatment process. Natural gas is also used to power up the high service pumps that pump water through the County's water distribution system.

Assistant County Manager

MEMORANDUM

(Revised)

TO: Honorable Chairman Bruno A. Barreiro and Members, Board of County Commissioners

DATE: October 7, 2008

FROM: R. A. Cuevas, Jr. County Attorney

SUBJECT: Agenda Item No. 18(A)(3)

Please note any items checked.

_____ **"4-Day Rule" ("3-Day Rule" for committees) applicable if raised**

_____ **6 weeks required between first reading and public hearing**

_____ **4 weeks notification to municipal officials required prior to public hearing**

_____ **Decreases revenues or increases expenditures without balancing budget**

_____ **Budget required**

_____ **Statement of fiscal impact required**

_____ **Bid waiver requiring County Manager's written recommendation**

_____ **Ordinance creating a new board requires detailed County Manager's report for public hearing**

_____ **Housekeeping item (no policy decision required)**

_____ **No committee review**

Approved _____ Mayor
Veto _____
Override _____

Agenda Item No. 18(A)(3)
10-7-08

RESOLUTION NO. _____

RESOLUTION RATIFYING THE COUNTY MAYOR'S ACTION OF THE EXECUTION BY THE MAYOR OR HIS DESIGNEE OF THE FIRST AMENDMENT TO A NATURAL GAS TRANSPORTATION SERVICE AGREEMENT BETWEEN FLORIDA CITY GAS AND MIAMI-DADE COUNTY AND TO EXERCISE THE CANCELLATION AND RENEWAL PROVISIONS CONTAINED THEREIN

WHEREAS, this Board desires to accomplish the purposes outlined in the accompanying memorandum, a copy of which is incorporated herein by reference; and

WHEREAS, at the County Commission meeting of July 17, 2008 this Board authorized the County Mayor to administer County business during the period of July 17, 2008 through August 29, 2008 [Agenda Item No. 12A1]; such action(s) taken to be in accordance with the policies and procedures established by the Board of County Commissioners and be submitted to the Board for approval at the County Commission meeting of October 7, 2008,

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF COUNTY COMMISSIONERS OF MIAMI-DADE COUNTY, FLORIDA, that this Board hereby ratifies the County Mayor's action of the execution, by the Mayor or his designee, of the First Amendment to a Natural Gas Transportation Service Agreement between Florida City Gas and Miami-Dade County, and to exercise the cancellation and renewal provisions contained therein.

The foregoing resolution was offered by Commissioner ,

who moved its adoption. The motion was seconded by Commissioner

and upon being put to a vote, the vote was as follows:

Bruno A. Barreiro, Chairman
Barbara J. Jordan, Vice-Chairwoman

Jose "Pepe" Diaz	Audrey M. Edmonson
Carlos A. Gimenez	Sally A. Heyman
Joe A. Martinez	Dennis C. Moss
Dorrin D. Rolle	Natacha Seijas
Katy Sorenson	Rebeca Sosa
Sen. Javier D. Souto	

The Chairperson thereupon declared the resolution duly passed and adopted this 7th day of October, 2008. This resolution shall become effective ten (10) days after the date of its adoption unless vetoed by the Mayor, and if vetoed, shall become effective only upon an override by this Board.

MIAMI-DADE COUNTY, FLORIDA
BY ITS BOARD OF
COUNTY COMMISSIONERS

HARVEY RUVIN, CLERK

By:_____
Deputy Clerk

Approved by County Attorney as
to form and legal sufficiency. SED

Sarah E. Davis

EXECUTION COPY

First Amendment to
Natural Gas Transportation Service Agreement
Between
Florida City Gas
And Miami-Dade County

This First Amendment ("Amendment") is effective as of this 30th day of June, 2008 by and between Pivotal Utility Holdings, Inc. d/b/a Florida City Gas ("**FCG**") and Miami-Dade County ("**Customer**").

WHEREAS, FCG (formerly known as NUI Corporation, represented by City Gas Company of Florida) and Customer entered into the Natural Gas Transportation Service Agreement on October 29, 1998 (the "**Agreement**");

WHEREAS, the Effective Date of the Agreement is July 1, 1998;

WHEREAS, the Term, as defined in the Agreement, was initially set to expire on June 30, 2008; and

WHEREAS, the parties desire to extend the Term as set forth below.

NOW THEREFORE, in consideration of the premises and mutual covenants and agreements herein, FCG and Customer agree as follows:

1. The parties are currently negotiating a renewal of the Agreement (the "**New Contract**"). Pursuant to the terms of the New Contract, such contract shall not become effective until the date that the Florida Public Service Commission ("**Commission**") approves and makes the New Contract effective (the "**Effective Date**"). Further, if the New Contract is not approved and made effective by the Commission subject to terms and conditions satisfactory to the parties within one hundred eighty (180) days from the date the New Contract is entered into by the parties, the New Contract shall not become effective.

2. To avoid a gap in service between the expiration of the Agreement and the Effective Date of the New Contract and, if necessary, to allow the parties additional time to negotiate a new agreement in the event the New Contract does not become effective, the parties hereby agree to extend the Term of the Agreement on a month-to-month basis effective as of July 1, 2008, until the earlier of: (a) the Effective Date of the New Contract; or (b) thirty (30) days following written notice from either Party of its election to terminate the Agreement.

3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.

4. All other provisions of the Agreement shall remain in full force and effect.

5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS:	**MIAMI-DADE COUNTY:** **BY ITS BOARD OF COUNTY COMMISSIONERS**
By: _____	By: _____
Print Name:	Print Name:
Title:	Title:

ATTEST:

Harvey Ruvin

Clerk of the Board:

By: _____ Deputy Clerk 8/28/08

Approved as to form and
Legal sufficiency.

By: Sarah Eglitis Davis
Assistant County Attorney

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3. If the New Contract does not become effective and negotiations are terminated, the Parties will agree to terminate the Agreement.

4. All other provisions of the Agreement shall remain in full force and effect.

5. This Amendment may be executed in one or more counterparts, each of which will be deemed an original but all of which taken together will constitute one and the same instrument.

The parties have executed this Amendment by the signatures of their respective authorized representatives on the date set forth below.

PIVOTAL UTILITY HOLDINGS, INC. D/B/A FLORIDA CITY GAS:

By: _____

Print Name: Henry P. Linginfelter

Title: President

MIAMI-DADE COUNTY:

BY ITS BOARD OF COUNTY COMMISSIONERS

By: _____

Print Name:

Title:

ATTEST:

Harvey Ruvin

Clerk of the Board:

By: _____
Deputy Clerk

Approved as to form and
Legal sufficiency.

By: _____
Assistant County Attorney

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