



Public Utility District No. 1 of Klickitat County

80 Years of Service * 1938-2018

GENERAL MANAGER'S REPORT TO THE BOARD

For the **September 24, 2019** Meeting

AGENDA ITEMS:

- A. Professional Services Approval- *(Mike)*- Trinity Consultants is a firm that has been utilized by KPUD throughout the RNG project. KPUD plans to continue utilizing Trinity Consultants to assist in maximizing LCFS credit for RNG.
- B. Prequalification of Contractors- *(Jeff)*- Gorge Dirt Works, LLC is an excavation company based in Bingen that may be used for trenching work as needed.

NON-AGENDA ITEMS:

H. W. Hill Renewable Natural Gas Facility Dedication – I was extremely pleased with how the event came together. Like any event, the last minute details came up fast, but the way our staff filled in, volunteered and participated was exceptional. The most prevalent feedback I hear from our staff is that they did not recognize “just how big a deal this actually is.” That was one of the reasons for involving our staff and bringing them to the site for the dedication, so I am very happy with that response. We have also heard from many people outside the PUD that the dedication was one of the best that they have ever attended. We will provide some of these comments, press releases and articles written about the project in your reading packet at the meeting.

The second major outcome was that I specifically heard that the Governor will be pushing the Low Carbon Fuel Standard. That is a very good thing for this facility and potential value of RNG to our customers and was one of our goals. I also heard him agree that we need to keep RNG from Washington in Washington. That is another of our goals. In return, he did have a request from us for support and Dave Warren is already engaged in that effort. I will roll you guys into that as we go forward. Given its value to our customers, we supported LCFS in this past legislative session and I will likely be asking that we re-iterate that support.

Bond Ratings – we should have a draft presentation from Northwest Municipal Advisors by the 27th. We should be able to work together on the presentation the week of September 30th, one week prior to the ratings presentations.

Republic Land Fill Gas Operating Agreement – I met with Don Tibbets, Republic Services Area Director and then Brian Martz, Republic Services Director, Renewable Energy Development to discuss restating the existing contracts. Formal meetings start Nov 7.

Renewable Natural Gas Tours – last meeting we talked about the many tours being held recently at the RNG facility, including Republic Services tours. Among the many groups, were the Idaho, Washington & Oregon Solid Waste Associations. In total, we have had over 250 people on site viewing and discussing our RNG facility. Many of these individuals and organizations are parts of the strategic alliances we have

been building for many years to assist us with ensuring development of markets that provide value for the RNG that we produce. Clearly, our industry, legislators, and public officials are very interested in the fact that RNG is real and can be produced and delivered as a transportation fuel. I am VERY excited about the future value of this project given the attention we are receiving.

North West Innovation Works (NWIW) – NWIW, which is the methanol plant proposed for Kalama, received their County permit. We have open communications with them on RNG supply. Attached is an article on their remaining process and challenges.

<https://www.bizjournals.com/portland/news/2019/09/13/controversial-kalamamethanol-plant-gets-county-ok.html>

Net Metering Customer Request – I met with a potential net metering customer, Matt Smits, at the RNG dedication ceremony. Anita Clever, Mike DeMott and I would like to engage in a discussion of our net metering policy. Some of the discussion are words on behalf of Mr. Smits that I committed to provide to you.

American BioGas Association – I met Bernie Sheff, a Vice President of Montrose Environmental, at the Dedication. They are the company that owns the ES Engineering (Dan Waineo & Aaron Parker) who designed our plant. Bernie is also the Chairman of the American Biogas Council. With their support, I am planning to talk with parties when I am in Washington, D.C. with the Public Power Council. The discussions will be regarding the Renewable Fuels Program and the impacts of the small refinery waiver credits, among other issues.

Bernie also informed me that he has nominated our facility for the Association's Project of the Year Award.