



MINUTES OF THE BUSINESS MEETING

Held July 1, 2024

The July 1, 2024, Business Meeting was called to order at 5:15 p.m., by President Martin. The meeting was held at the Port of Sunnyside's Business Administration Office located at 2405 Reith Way, Suite 2, Sunnyside, WA.

Commissioners and Staff present at the Business Meeting

Arnold Martin, Commission President
Jim Grubenhoff, Commission Vice President
Tyler Schilperoort, Commission Secretary
Jay Hester, Executive Director
Rob Faber, Legal Counsel

Travis Jansen, Operations Manager
Adam Smith Project Manager
Delilah Seanz, Finance Director
Jasmine Chavez, Administrative Assistant

GUESTS:

Alysa Wiyrick – Department of Enterprise Services
Christie Hoffpauer – McKinstry
Ira Nolander – McKinstry
Felicitas Rodriguez - Ella
Maria Fernandez - Ella

GUEST COMMENTS:

Maria commented addressing Arnold. She mentioned that when she first started attending Port meetings, she introduced herself and explained that she was there to observe. She has clarified that she attends meetings to observe and ask questions. In her last public comment, she had some questions and made it known that she is aware that the Port is not legally obligated to answer the questions. She reminded Arnold that the Port has legal counsel for advice on any general, impeding, or unlawful comments and questions. Maria wanted to remind Arnold that he is a public official holding a public meeting, and although he is not required to answer her questions if she poses a question, it is part of her public comment, and she has right to comment. She wanted to remind Arnold that the meeting is a public meeting open to public citizens to listen and participate.

DISCUSSION / ACTION ITEMS:

Executive Director:

- **McKinstry Presentation** – McKinstry presented a PowerPoint to the commissioners regarding the biogas project. The methane gas that is produced at the Wastewater Treatment Plant is currently flared into the atmosphere. This project will clean the gas so it can be injected back into a natural gas pipeline and sold to a gas utility, so they will be taking a waste product that is currently being burned and turning it into a marketable commodity that has value.

Arnold questioned what would happen if something bad happened in 10 years and we didn't have any gas left. Christie responded that the total of what has been delivered would be compared to the total committed and the Port would be charged 2.25 per MMBtu for the shortfall based on quantity.

Jim asked what years the average was based on. Christie commented that the average was taken from the last 4 years. The calculation is based off how much gas will be produced, how much methane is in the gas, how much the equipment can capture daily, equipment uptime and how much heat is contained in the methane.

Arnold questioned if we had a good year and got good business and increased our volume by 25% if we would get extra credit. Jay commented that we will get credits for up to 30% of volume.

Tyler questioned who would be compressing the gas. Ira responded that the gas will be compressed by the Port. The Port and Cascade Natural Gas will have the exact same meter type and model number and will run the same calibration schedule. This is for redundancy.

Arnold questioned if the port would put in all the equipment required to make the gas. Ira responded yes, the Port will put in all the equipment and Cascade will provide all the equipment to clean, odorize and put the gas into the line.

Arnold questioned if the state or federal government have authority to make changes that will not work for the Port, or do we have a 20-year contract. Ira responded that the only permit required by the state is air permitting which the Port already has since we already flare gas. There will be mechanical permitting for mechanical subcontractors for typical building level requirements, but there is nothing else permitting us to do RNG. The specifications have been run by the equipment manufacturer and they said there is no problem meeting the requirements.

Jim mentioned that when they spoke to McKinstry in Chelan there were more credits available from the government, but they went away. He questioned if there is any way we can get any of them back to lower the cost for the Port. Christie said that the credits are there, but it's very complex. If we wanted to pursue them, we could, but the credits had been taken out of the presented calculation. They would like to start construction this year, so if we do want to go after the credits, she recommends doing it where the tax consultants get paid if the credits are approved.

Jim questioned if there was any reason to have the old gas flare. Ira mentioned that we won't have the candle stick flare, but we will have the newer flare that will be left in place. If we ever have a catastrophic failure, we will need to send all the gas to the flare.

Finance Director:

- **2023 Financial Audit** – The Port has received a clean audit for the 2023 Financials. The auditors had no recommendations, no managements letters, and no findings. Delilah recognized different things that the auditors look for and did an internal audit and found a few things that needed to be corrected. The auditors were pleased with the corrections Delilah made. Delilah is pleased with the progress made from last year and looks forward to a smooth audit next year. She also looks forward to making improvements within the finance department in the years to come.

ACTION ITEMS:

- Motion to approve the consent agenda which includes minutes of the business meeting held on June 17, 2024. Payroll issued on June 20, 2024, in the amount of \$54,238.64 and payables issued on June 25, 2024, in the amount of \$706,404.09 totaling \$760,642.73. Commissioner Grubenhoff moved to approve; Commissioner Schilperoort seconded. Motion approved 3-0.

STAFF COMMENTS: None

COMMISSIONER COMMENTS:

Tyler commented that he is excited to start working on the gas project.

EXECUTIVE SESSION: None

ADJOURNMENT:

The Business Meeting adjourned at 6:03 p.m., peace and harmony prevailing.



Arnold Lee Martin, President

ATTEST:



Tyler Schilperoort, Secretary