

## CARB Board Minutes

Bremerton National Airport, Conference Room – Microsoft Team Meeting  
Thursday, May 25, 2023 10:00 am – 2:00 pm

The meeting was called to order by Chair, JC Baldwin, at 10:02 a.m. Board members Ingrid Gaub, George Steed, Bill Glassford, Ann Richart, and Board Secretary/Loan Program Manager Dave Chenaur were present, and Chris Paolini, Cory Wright, and Eric Johnson participated via video conference. Guests Monroe Whitman, Arne Bakken and Stephanie Frame from the Port of Bremerton attended in person while guests Quentin Wright and David Billetdeaux from the Port of Benton, also participated via video conference. Board members Michael Echanove and Jeralee Anderson could not attend.

**Announcements:** JC Baldwin welcomed the group and recognized the new WSDOT Aviation Director Ann Richart. Ann addressed the Board and provided a brief biography. The Board welcomed her to the group.

JC asked if there were any comments from the public. No comments were received.

**Board Agenda & Schedule:** JC asked if there were any changes to the agenda and schedule. No revisions were received, and the agenda was adopted as drafted.

**Approval of December’s CARB Minutes:** JC asked if everyone had a chance to review December’s Board minutes distributed. No revisions were received. Ingrid motioned to approve the minutes. Bill seconded the motion. The Board minutes were approved with no objections. Board Secretary thanked the group for their review and revisions submitted prior to the meeting.

**Legislative Update:** Eric Johnson provided an update on aviation-related bills proposed this legislative session. He presented a list of legislative bills and indicated which bills passed. Of particular interest to CARB, HB1243 regarding municipal airport commissions expands the residential eligibility of commission members in communities with fewer than 30,000 residents. This will expand the pool of qualified candidates to serve on commissions. The bill also allows commissions to apply for CARB loans. HB1554 on leaded AvGas would have prohibited sales of 100LL fuel at airports. This would impact CARB-funded fueling facilities ability to repay their loans. The bill was successfully defeated by aviation stakeholders. However, the bill could be re-introduced in a future legislative session. The aviation community supports unleaded fuel. GAMI has an approved 100UL fuel but is forecasted to not be available in significant quantities to replace current 100LL usage until 2030.

**2023-2025 CARB Budget:** Program Manager, Dave Chenaur, announced that the CARB Loan Program was appropriated another \$5 million for the 2023-2025 biennium through the state capital budget. With the addition of investment income, loan repayments, and the remaining unobligated balance of 2021-2023 appropriation, the Board will have more than \$5.3 million in funds to award after July 1, 2023. Administrative costs are budgeted at \$301,000.

**Loan Project Status:** Dave updated the group on the status of the loan Program and provided a summary, as follows:

**Loan Agreements:**

- To date, the popular loan program has received 39 applications totaling \$23,338,096 and has awarded loans for 17 projects totaling \$9,184,402.
- 100% of the loan agreements are executed.

Project Status:

- 47% of the projects (8 out of 17) have been completed with four (4) having started making loan repayments. Completed projects are:
  - Sequim Valley Airport - UST Removal Project \$15,000
  - Sequim Valley Airport - Access Road and Fueling Area Repaving Project \$70,000
  - Port of Port Angeles - Utility Extension & Hangar Development Project \$750,000
  - Port of Othello – 10-unit Hangar Project \$450,000
  - City of Chehalis Above-ground Fueling Facility Project \$750,000
  - City of Chewelah Fueling Facility Project \$425,000
  - Pierce County Hangar Door Replacement Project \$750,000
  - Port of Bremerton Multi-purpose Building Project \$750,000
- Two (2) additional projects will begin making loan repayments beginning in 2023/2024.
  - City of Chehalis
  - Port of Bremerton

The Project Manager displayed project photos and detailed the last three (3) completed projects that included the City of Chewelah’s fueling facility, Piece County’s Thun Field Hangar Door project, and the Port of Bremerton’s Multipurpose Facility.

The Port of Bremerton’s Chief Operating Officer, Arne Bakken, gave a PowerPoint presentation on the multipurpose structure and how it was planned, budgeted, and progressed through construction. The building houses a new restaurant, pilot’s lounge, restrooms, and a large hangar. The hangar and restaurant are both leased and occupied by Old Tyme Aviation and Amelia’s Restaurant and Lounge, respectively. The project needed to meet FAA criteria to qualify for federal funding. The original project was budgeted at approximately \$4.7 million but due to cost escalations during the pandemic the final cost increased to \$5.4 million. CARB was able to provide funding to fill the budget gap. The original restaurant was demolished for the new development. Replacement of the restaurant was vital for generating revenue at the airport and attracting visitors. Adding hangar space and pilot amenities was essential for qualifying the project for FAA funding. Arne went on to discuss other capital developments at the airport including new hangars and a 24-acre recreational development on Port property that includes an auto and motocross racecourses, amphitheater, and other visitor/guest amenities to be completed in 2025.

Dave continued providing updates on the remaining projects that are under construction or plan to begin in the coming months, as follows:

Projects underway:

- Kittitas County Hangar Utility Extension Project \$105,000
- City of Moses Lake Fueling Facility Project \$175,000
- City of Deer Park Airport Sewer Main Installation Project \$730,000
- City of Colville Jet A Fuel System/Tank \$300,000
- Lewis County New AvGas 100LL Fuel System \$514,402
- Port of Benton Existing Hangar Acquisition Project \$750,000

Awarded projects to begin this year:

- Auburn Municipal Airport T-Hangar Door Replacement Project \$750,000
- City of Kelso Fuel Farm Improvement Project \$1,200,000
- Port of Ephrata T-Hangar Project \$700,000

Kittitas County – Hangar Utility Extension: After speaking with Bowers Field New Airport Director, David Ohl and their Public Works Department (Mark Cook), the project schedule for construction is slated for late summer with no actual date assigned yet. Public Works is currently obtaining contractor/consultant for the electrical extension. Once construction begins, utilities will be extended out on the east taxiway as specified in the scope of work. At this time, Kittitas County should not need any more funding than what is available and was tagged for this project.

City of Moses Lake - Aviation Fueling System: A used fuel system was purchased and delivered to the site. The current fuel system fuel pump motor requires 3-phase high voltage service. The city decided to replace the fuel pump motor instead of providing high voltage service to the site. Their public works department has been in contact with Mascott Equipment, Co. The city is planning to put out a bid for the installation of the fuel system. In addition, the city is requiring a containment pit to be built to capture any potential fuel spills or leakage. This cost was not identified in the original application. There is an office and restroom adjacent to the selected fuel station site. The airport desires to convert the structure into a pilot's lounge. The city obtained a negative asbestos report but stated the building needs to be updated to current ADA and energy codes if the Commission want to include the building in the fueling project per the loan agreement. Note: The site and corresponding structure was never identified in the original loan application and subsequent loan agreement. \$22,697.36 remains in CARB funding out of the original \$175,000 loan.

City of Deer Park – Airport Sewer Main Installations: The project includes the construction and installation of 4290 LF of 8-inch sewer laterals and 320 LF Sewer force 2" main (4610 LF in total) allowing for future hangar construction and development. This project includes connection of existing hangar/businesses to the city sewer system consistent with local ordinance. Project also includes 20 - 48" manholes with 7 drop connections, a sewer pump station, and pavement restoration. The project is underway (see pictures). Trenching and excavation for the dropdowns is depicted. Construction is supposed to entail 80 days. Project to be completed this August.

City of Colville – Jet A Fuel System / Tank: A 50% deposit was paid for JET A fuel tank in December 2022. Site preparation for delivery is planned for late summer. City is trying to identify a crane company to place the fuel tank. The airport manager, Dave Garringer, contacted me regarding the possibility of requesting additional funds (\$10K-\$15K) to cover the cost escalations. I expect a formal request after the amount can be accurately determined. \$127,384.98 has been spent out of \$300,000 loan leaving a \$172,615.02 loan balance.

Lewis County – New AvGas 100LL Fuel System: Following their consultant selection process, Lewis County selected Precision Approach Engineering to support delivery of the project. They are currently completing preliminary and final contract documents for manufacturing/procuring a new 12,000 Gallon AvGas100LL above ground fuel system for the Toledo airport. Final contract documents are anticipated for bid in mid to late June. In addition, they are in the permitting/design phase of the site development portion of the project to construct the fuel farm consisting of stormwater storage/treatment measures, concrete pad, conduit, electrical facilities, fuel system card reader, and pavement restoration over the removed fuel shed and soon to be decommission fuel system. Bid contract documents for advertisement of these improvements is anticipated in August 2023. The site and fuel system are scheduled to be completed in late November 2023 with the new above ground AvGAS 100LL system in full operation by January 2024.

Port of Benton – Hangar Acquisition: Originally, they were hoping to purchase existing T-hangars with the \$750,000 they were approved for. Those negotiations have all ceased with no agreement. Following

consultation with the Loan Program Manager, the Port approached the owners of another suitable structure. After negotiations, both parties agreed on a price of \$1,050,000 (with contingencies). The property owners would like to close towards the end of the year. I expect an amendment request to the loan award and scope of work by the next CARB meeting.

City of Auburn – T-Hangar Door Replacement Project: The project is to replace hangar doors and enclose existing T-hangars at the Auburn Municipal Airport. Airport Manager, Tim Mensonides, informed me that they have engaged an engineering firm to design the project. The project is not going to begin until the Fall 2023.

City of Kelso – Fuel Farm: Fuel tanks are ordered and scheduled for delivery in February 2024. The concrete foundation is in final design and set to go to bid within the next 30 days.

Port of Ephrata – New T-hangars: Port has a new Director. He was familiar with the original proposal but due to the lack of a complete “due diligence” process being previously performed regarding all options, felt it necessary to pause the project to ensure all bases were covered prior to the expense the Port was facing for T-Hangars. The project was delayed to perform an analysis with the conclusion that the difference in materials between fabric and steel wasn’t sufficient to go through any change in the current project description. As such, He submitted a notice to their engineering firm, Ardurra, to proceed with the original design/specs. Their Project Manager stated that the project is still in design, but they anticipate it will go out to bid sometime next month. Construction is targeted to begin September 2023.

**CARB Financials:** The Program Manager provided a summary of the programs financial activities for the biennium including details on fund balance, revenues, and expenses. Dave displayed financial worksheets detailing the sources of revenue and expenditures. The current cash fund balance was \$5,548,352.54 as of April 30th. Investment return on the fund balance has risen to 2.82% and is allocated monthly to the account approximately 2-weeks after the month ends. Since August 2019, the account has earned \$119,602.71. He has forecasted approximately \$39,000 in additional investment revenue for the last quarter (April – June). Loan repayments have equaled \$134,643.97; \$85,215.06 in return of principal and \$49,428.91 in loan interest. Expenditures to administer the program total \$209,675.39 as of April 30th. Administrative expenses consist of salaries/benefits, travel, outreach, and program supplies. \$250,000 was budgeted for administration. He has estimated that the program will have an additional \$30,000 in expenses over the last 3-months of the biennium leaving a surplus of \$10,000. The CARB program is within budget.

Dave also shared the loan payment projections for the next 6-years based on the current loans. He highlighted the return of principal based on current loans will be sufficient to fund future loans in 2027.

**Port of Benton – Loan Application:** The Port wishes to purchase existing fuel farm located at the Richland Airport. The health of their FBO (fuel vendor/owner) is quickly declining and is forcing him to sell his business. The new FBO operator contracting with the airport does not want to purchase the existing fuel infrastructure. The Port has an opportunity to purchase the fuel tanks (12,000-gallon AVGAS, 15,000-gallon JET-A) and dispensing equipment so that they can provide a direct revenue stream for the airport.

The Port currently does not receive any revenue from fueling operations at the airport. In 2022, about 140k gallons of fuel were dispensed, if they can purchase these tanks and charge a 20-cent flowage fee to the new FBO that would result in about \$30,000 in revenue annually. The tanks would be paid off within the 20-year term of the loan and provide many years of revenue to the airport. Total project cost is \$300,000. Tanks are estimated to have 50-year useful life; Jet A tank was manufactured in 1998; Avgas tank in 2008. The fuel farm is in good condition, but some maintenance work needs to be performed. The airport has

134 based aircraft (not including transient) that purchase fuel from these tanks, along with itinerant traffic. LifeFlight is based there and purchases about 70,000 gallons (of the 140,000 total) per year providing stable fuel purchases. The proposed FBO lease has a progressive fee rate: no flowage fee 1<sup>st</sup> year, \$0.10 2<sup>nd</sup> year, and \$0.20 3<sup>rd</sup> year till 2029. The project is ready to proceed. The Port suggests it would be a huge step in creating a revenue source for the airport to make it more sustainable.

The Port of Benton's Airport Manager, Quentin Wright, attended the meeting virtually and was available to answer questions from the Board. A major hurdle was the Port's eligibility to apply for a second loan or amend their existing loan. The Board had instituted a 24-month waiting period between loans from an existing loanee. The Port's original project was awarded in December 2021, approximately 18-months ago. Amending the current loan with the additional acquisition would exceed the maximum loan amount of \$1.2 million. Board Member, Cory Wright, shared concerns with revising the scope of work of an existing loan citing it may circumvent the original competitive process. After discussion, the Program Manager listed three potential options: 1) Cancel the original award and replace it with the current request; 2) Amend the current loan and re-apply for the other structure after the 24-month waiting period has lapsed; 3) Waive the waiting period and award the requested project. The Port was open to options and our looking for input. He realized the total for these assets is \$1,350,000 which is just over the limit of the \$1,200,000. The Port was open to modifying their application and/or separating these into two loans. The Board asked Quentin if the Port can prioritize the projects and identify which project was preferred to be funded. Quentin expressed that the Port want to proceed with both projects and could not select which project they preferred funding at this time. The Board asked if the Port could come up with \$150,000 to reduce the cost to the loan limit. Quentin could not confirm funds were available. As such, Chair JC, suggested the application to be tabled until further information can be supplied by the Port. The Program Manager was directed to work with the Port to prioritize the projects for reconsideration.

**Project Site Visits:** Member George Steed asked the Board if they thought it was beneficial for members to perform site visits of loan applicants and project sites. He enjoys flying and can readily visit airports around the state. He also asked if CARB reimbursed for flying expense and insurance to fly passengers. JC responded that most board members are reimbursed for their travel costs by their organizations. Dave added that RCW's define eligible costs for non-compensated boards and that required travel and per diem costs can be reimbursed. Due to pandemic travel restrictions, CARB has only had three (3) on-airport meetings including this one. Due to the travel distance and work commitments, several members felt it was difficult to attend in person. The majority of members did not see value in visiting applicants that are not selected. Some members believed it was beneficial to visit completed projects. The Program Manager plans to continue seeking limited site visits when practical while allowing members to still participate virtually. No motions were offered.

**Comments/Next Board Meeting:** JC asked if there was any public comment before the official meeting adjourns. No comments were received.

The Program Manager shared a tentative timeline for the next loan awards.

- Call for projects/applications - 7/01/2023
- Initial Deadline for Applications – 8/1/2023
- Selection for Project Funding – August/September 2023

Ingrid moved to accept the loan application timeline as recommended. Bill seconded. The motioned passed unanimously.

Discussion transitioned to the next CARB meeting to select projects as identified in the approved “call for projects” timeline. Thursday, September 7, 2023 was selected from 9:00 am to Noon. The meeting will be virtual. The Board Secretary was also directed to send meeting invitations.

The formal meeting was adjourned at 12:15 p.m. to take a tour of the new multipurpose building, have lunch at Amelia’s Hangar, and tour the Bremerton National Airport.

\_\_\_\_\_ Date: \_\_\_\_\_  
David Chenaar, Acting CARB Secretary