

## CARB Board Minutes

WSDOT-Aviation HQ – Microsoft Team Meeting  
Thursday, November 4, 2021, 10:00 am – 11:00 am

The meeting was called to order by Chair, JC Baldwin, at 10:00 a.m. Board members Rich Mueller, Vice Chair Andy Hover, David Fleckenstein, Ingrid Gaub, John Dobson, Michael Echanove, CERB alternate Bill Glassford and Board Secretary/Loan Program Manager, Dave Chenaur, participated via video conference. Chris Herman, WPPA Senior Director, attended as a guest. A quorum was present.

**Announcements:** JC Baldwin welcomed the Board members and asked if there were any announcements. Loan Program Manager, Dave Chenaur, announced that the Public Works Board (PWB) is meeting tomorrow on Friday, November 5<sup>th</sup>, to select the succeeding PWB CARB Representatives and will attend the virtual meeting.

**[Note: Jeralee Anderson and Mark Dorsey were elected as the PWB Representative and PWB Alternate, respectively.]**

**Approval of July's CARB Minutes:** JC asked if everyone had a chance to review July's Board minutes distributed two months ago. No revisions were received. David Fleckenstein motioned to approve the minutes. Andy Hover seconded the motion. The Board minutes were approved with no objections. A copy of the Board minutes will be forwarded to the new members.

**Securing Stable Revenue Sources:** JC turned the meeting over to Board Member and WSAA President, John Dobson, to present a PowerPoint presentation (PPT) on aviation funding needs and sources titled "[Making the Case for Airport Revenue - A Primer on HST-PPT](#)". John summarized the economic benefits contributed by aviation activities and the forecasted revenue needs to maintain current airports. He then detailed the current revenue generated by aviation fuel taxes by type including sales taxes, Hazardous Substance Tax (HST) and Petroleum Products Tax (PPT). John explained that FAA grant assurances require revenue generated from airport activities to be retained and used to support capital and operational expenses at those airports or state aeronautical activities. While the \$0.11 aviation fuel tax is directed to the state's aeronautical account, local sales taxes and the HST/PPT on aviation fuel does not. These go to the local taxing authorities and the State Department of Ecology, respectively. In summary, John outlined plans for WSAA to support legislation that redirects aviation fuel tax funds appropriately.

David F. shared the current situation with the Department of Revenue (DOR) to address FAA's concerns with the current aviation fuel tax diversion that was identified in the presentation. DOR was directed to provide a report to legislators on how they would remedy the situation. While not finalized, DOR would create a reporting mechanism to determine the amount of fuel taxes collected and the disposition of those funds including any offsets that could be applied.

Board Member and WAMA President, Rich Mueller, expressed the need for collaboration with local governments and affected stakeholders with regards to efforts to redirect current sales and aviation fuel taxes. He acknowledged the difficulty and sensitivities with any efforts to change how these funds are currently used by those dependent on those funds. Rich commended current efforts and how WAMA can be an advocate for supporting these efforts. Several Board members agreed with his comments.

Chris Herman, WPPA Senior Director, explained their role in lobbying for legislation that supports Port activities. He updated the Board on current legislation, [SSB5329](#) and [HB1290](#), for Distribution of Aircraft Fuel Tax Revenue. Besides these two complimentary bills, Chris did not expect any further legislation would be introduced during the upcoming legislative session. The next legislative session begins on

January 10, 2022 and is scheduled to last 105 days. The session will also address any supplemental budget needs.

Program Manager, Dave C., identified the need for an operating budget for the CARB program to cover administrative costs. Since the program has been established, no operating funds have been authorized to support the administration mandated by the legislation. Withholding capital program funds to cover administrative costs has a parasitic effect on the loan fund balance and negatively impacts the intended revolving fund mechanism. David F. agreed but explained funding requests must go through a formal DOT internal process prior to being requested. He also commented on the constraints imposed on state employees in advocating on legislation.

JC concurred and suggested CARB, WSAA, WAMA, and WPPA could advocate for program funding and legislation. JC reiterated Representative Tom Dent and Scott Merriman (OFM) were willing to meet with members and we should coordinate with the present associations to support legislation.

**Comments/Next Board Meeting:** JC asked if there were any other closing comments. No comments were received. Board Secretary, Dave C., asked whether the tentative date of Wednesday, December 1, was acceptable for the next meeting to select projects. The Board agreed and the Secretary was directed to send out a virtual meeting notice for December 1<sup>st</sup>. JC Thanked the group for staying beyond the schedule meeting time.

The meeting was adjourned at 11:10 am.

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David Chenaar, Acting CARB Secretary

Date: 11/18/2021