

CARB Board Minutes

WSDOT-Aviation HQ – Microsoft Team Meeting
Thursday, June 2, 2022 10:00 am – 11:00 am

The meeting was called to order by Vice Chair, Andy Hover, at 10:02 a.m. Board members Ingrid Gaub, John Dobson, Rich Mueller, Bill Glassford, David Fleckenstein, and Board Secretary/Loan Program Manager Dave Chenaur participated via video conference. Guest Chris Paolini attended via video conference. Board members JC Baldwin and Michael Echanove were unable to attend due to illness. Board member Jeralee Anderson was absent.

Announcements: Andy Hover welcomed the group and asked attendees to introduced themselves.

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

Approval of March’s CARB Minutes: Andy asked if everyone had a chance to review March’s Board minutes distributed. Some members asked for the minutes to be resent. After reviewing the minutes, Ingrid Gaub motioned to approve the minutes. David Fleckenstein seconded the motion. The Board minutes were approved with no objections.

OPMA Training & Bylaws: Loan Program Manager, Dave Chenaur, updated the group on the status of the Open Public Meeting Act (OPMA) training loan Program. Based upon notification from the State Auditor and advice from WSDOT-Aviation’s assigned Assistant Attorney General, he created an OPMA training program for all CARB members to complete by April 30, 2022. All Board members and staff have completed the assigned OPMA training and have completed the attestation provided.

Next, the Program Manager presented revisions to the CARB Bylaws adding the OPMA training requirements and new virtual meeting and public comment requirements enacted in ESHB1329.

- All Board members must complete OPMA training within 90 days of appointment.
- All Board members and CARB staff must document the OPMA training requirement.
- All meetings shall comply w/RCW 42.30, Open Public Meetings Act, as amended by ESHB 1329.
 - Meeting notification, agenda & minutes posted on CARB website.
 - Provide for hybrid meetings & public comment.
 - Post meeting recordings for 6 months.

David F. asked for clarification on when public comment is required. He was informed by the assigned AAG that public comment was only required when the Board is “taking action”. Andy commented that “taking action” is quite comprehensive and may include routine items such as approving minutes.

[Per MSRC: [ESHB 1329](#) does not change this analysis. It adds the requirement to the OPMA that an agency take comment at or before every regular meeting at which the board will take final action. But we believe the character of the meeting is still a limited public forum. The bill does not require that you allow verbal public comment during the meeting. It allows you to limit comments to written comments and to set a deadline by which they must be submitted. "Final action" means a collective positive or negative decision, or an actual vote by a majority of the members of a governing body when sitting as a body or entity, upon a motion, proposal, resolution, order, or ordinance]

Bill asked who provided the language and edits to the bylaws. Dave C. responded that he drafted the language based upon RCW 42.30 and ESHB 1329 after discussion with our AAG and Chair JC and David F. had reviewed the edits.

Andy asked if there were any further questions on the bylaws. David F. motioned to approve the amended bylaws. Ingrid seconded the motion. The motion passed unanimously. The Program Manager will update the CARB Bylaws to reflect the revisions and forward the amended CARB Bylaws to members.

Future Funding: Dave C. summarized the remaining funds available for award, anticipated receipts of program income (investment income, loan interest, and return of principle), and forecasted program expenditures. He expects the remaining \$2.41M available for loans to be awarded at the August CARB meeting. There is insufficient program income to award additional loans once the present funds are awarded. Allocated funds for program administration will be exhausted by June 30, 2023. As such, the loan program will require additional funding for the 2023-2025 biennium. There are five potential sources of future funding:

- Governor’s Budget - Capital & Operating
- Legislation – Dedicated Funding Source
- One-Time Transfer - Public Works Assistance Account
- Federal/State/Local Grants
- Public Private Partnership

David F. informed the Board of the process and efforts to request funding through the Governor’s budget. The process contains multiple steps and begins at the agency level. The budget decision packages are very competitive. Aviation has initiated requests for both capital and operating program funding.

[Update: As of July 2022, the CARB capital and operating funding requests will not move forward as an agency priority for the GOV’s budget]

Andy asked if there was a specified amount of funding targeted for the program to be self-sufficient. David F. responded affirmatively that \$25M was identified by Senator Honeyford modeled after the State of Colorado loan program. Of that amount \$10M has been funded to date as a transfer from the Public Works Assistance Account; \$5M the last two biennia. However, Senator Honeyford has announced his retirement this Fall drawing into question who may champion future transfers. In addition, the new Move Ahead Washington legislation has also identified the Public Works Assistance Account for annual \$57M transfers for the next 15 years beginning in 2024.

Andy asked if WSAA was supporting any proposals. John responded that the Alliance has been following fuel tax diversion including both local sales tax and state HST/PPT taxes on aviation fuel. DOR has been working with FAA to comply with grant funding assurances on aviation fuel sales. A final solution has not been approved. Estimates of up to \$14M have been identified but this is a “paper” estimate. A portion of these funds could be dedicated to the loan program. There is no assurance this will be the result and it may take considerable time before the situation is resolved. David F. added that Representative Dent has proposed legislation diverting up to 1% of the state sales tax on aviation fuels to the aeronautics account with a percentage allotted to the CARB loan program. This would require passage of the proposed legislation during the next legislative session. John also mentioned aviation fuel tax has increased by \$0.07/gallon beginning in July that goes to the aeronautics account.

Dave C. went on to discuss the remaining potential sources of funding; federal/state/local grants and Public Private Partnerships (PPP). He suggested CARB could apply for an applicable grant or partner with a private lender. Both are highly speculative and would need to be vetted before moving forward. He shared a meeting with a private bank which provides municipal loans. We would either partner with the bank to co-fund projects or receive an origination fee for executed loans funded by the bank. The bank makes loans up to \$75M over 10-15 years. Last fall, interest rates for loan applicants with a A-credit rating was 1.75% - 2.0%. Currently, that rate is around 3.5% for a \$5M, 10-year loan due to the Fed raising interest rates. The raise in interest rates makes this option less attractive. Bill acknowledged he initiated the introduction for disclosure of conflict of interest. He explained a couple of thoughts with a PPP. 1) the bank provides the short maturities and CARB provides the long maturities and 2) CARB could “buy down” the interest rate.

Dave C. informed new Board members that the program was to be originally funded by state-issued capital bonds. Due to privately-owned airports being eligible under the legislation, the State Treasurer’s Office determined state bonds could not be used to fund the program due to a constitutional issue. John asked whether the repayment of bond funds could become eligible. Dave C. was not sure whether repaid bond funds could be segregated and used for non-governmental airports. John also explained governmental entities have taxing authority to guarantee repayment while private airports would be collateralized solely by their assets. Discussion ensued regarding private entities receiving funding and whether bonds could be a funding source. Overall, seeking capital bonds was viewed unfavorably. The Board preferred to pursue traditional alternatives.

Comments/Next Board Meeting: The next Board meeting is set for Wednesday, August 3rd from 9:00 am to 2:00 pm, to select projects for funding identified in the approved “call for projects” timeline. With Covid meeting restrictions removed, the location is tentatively scheduled for Pangborn Memorial Airport’s Executive Flight Building. A lunch menu will be sent to members. The Board Secretary was directed to send out an in-person meeting request with optional online participation.

Andy asked if there were any closing comments. Dave C. announced that Andy, John, and Rich initial service to the Board will be successfully completed this summer. The loan selection meeting in August will be their final session.

Andy thanked the Board and the Program Manager for their participation.

The meeting was adjourned at 11:14 p.m.

David Chenaar

David Chenaar, Acting CARB Secretary

Date: July 19, 2022