



CARB Board Minutes

WSDOT-Aviation HQ – Microsoft Team Meeting
Thursday, September 26, 2024: 9:00 am – 11:30 am

The meeting was called to order by the Board Secretary, Dave Chenaar, at 9:01 a.m. Board members Ann Richart, George Steed, Michael Echanove, Cory Wright, Diahann Howard and Tim Mensonides participated via video conference. Board members Chris Paolini, Andrew Face, and Secretary and Loan Program Manager Dave Chenaar participated in person. Jeralee Anderson was absent. Guests Terry LaRue and Quentin Wright attended via video conference.

Announcements: Dave welcomed the Board members and asked the three new Board members to introduce themselves. Diahann Howard, Tim Mensonides, and Andrew Face provided brief biographies. The remaining Board members introduced themselves to the new members. Dave informed the group that both the Chair and Vice Chair were open for nominations. Appointed members were eligible to be Board officers. He then asked members if there were any other announcements. No additional comments were received.

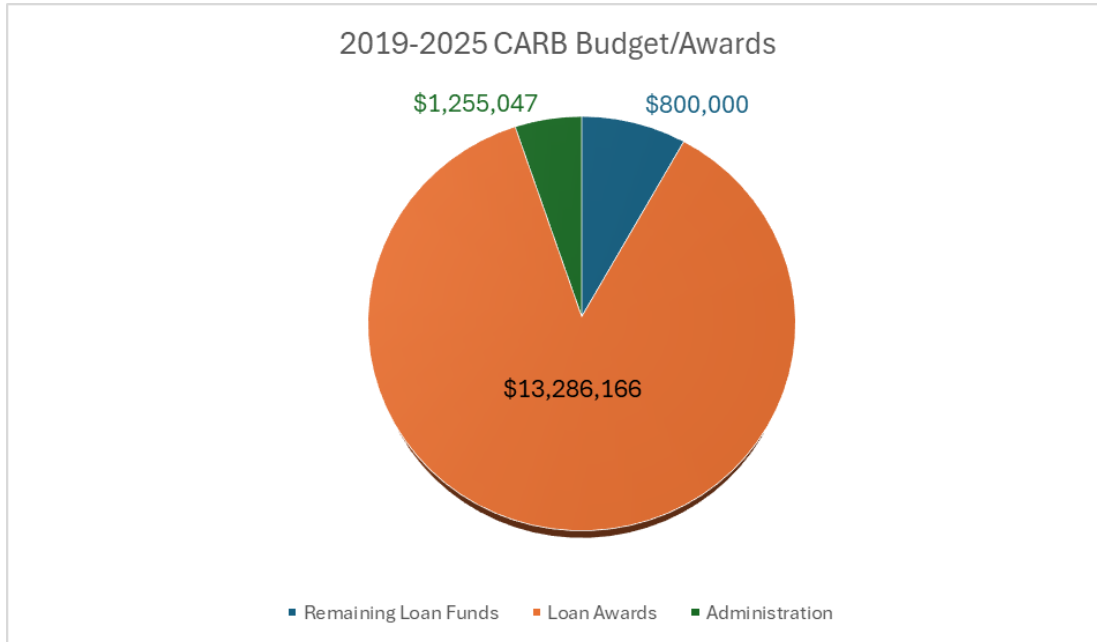
Public Comment: The Secretary asked if the public wished to introduce themselves or had any comments. Quentin Wright, Airport Manager from Richland Airport, introduced himself. Terry LaRue from Ellensburg introduced himself and asked to defer his comments to the end of the meeting after project updates.

Board Agenda & Schedule: Dave asked if there were any changes to the agenda and schedule. The agenda was adopted, as drafted.

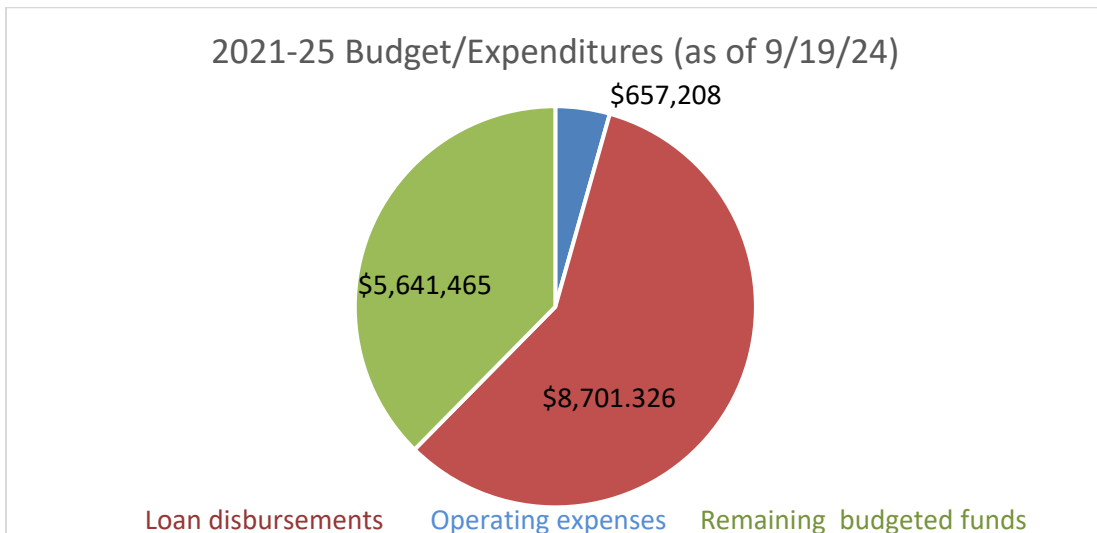
Election of Board Officers: An email was sent to all Board members attending virtually and written ballots to members attending in person to nominate and vote for the vacant CARB Chair and Vice Chair. The Secretary tabulated the votes and announced George Steed was selected as Board Chair and Chris Paolini as Vice Chair.

Approval of September's CARB Minutes: The Secretary asked if everyone had an opportunity to review June 28th board minutes that had been distributed. The Board responded affirmatively. Chris motioned to accept the minutes as written, Ann Richart seconded the motion. New Chair, George Steed, commented that these were the best, most comprehensive minutes he has reviewed. The Board Secretary thanked the Chair for his comments. After no additional comments, the minutes were approved unanimously.

Program Budget Update: Loan Program Manager, Dave Chenaar, summarized the status of the program's budget since its inception in 2019. \$5,000,000 in capital funding has been appropriated each biennium since 2019 for a total of \$15,000,000. \$13,286,166 has been awarded and funded by loan agreements for selected projects, \$800,000 has been allotted to cover administrative costs, and \$1,255,047 is remaining to be awarded (Pie charts depicted below were shown to the attendees).



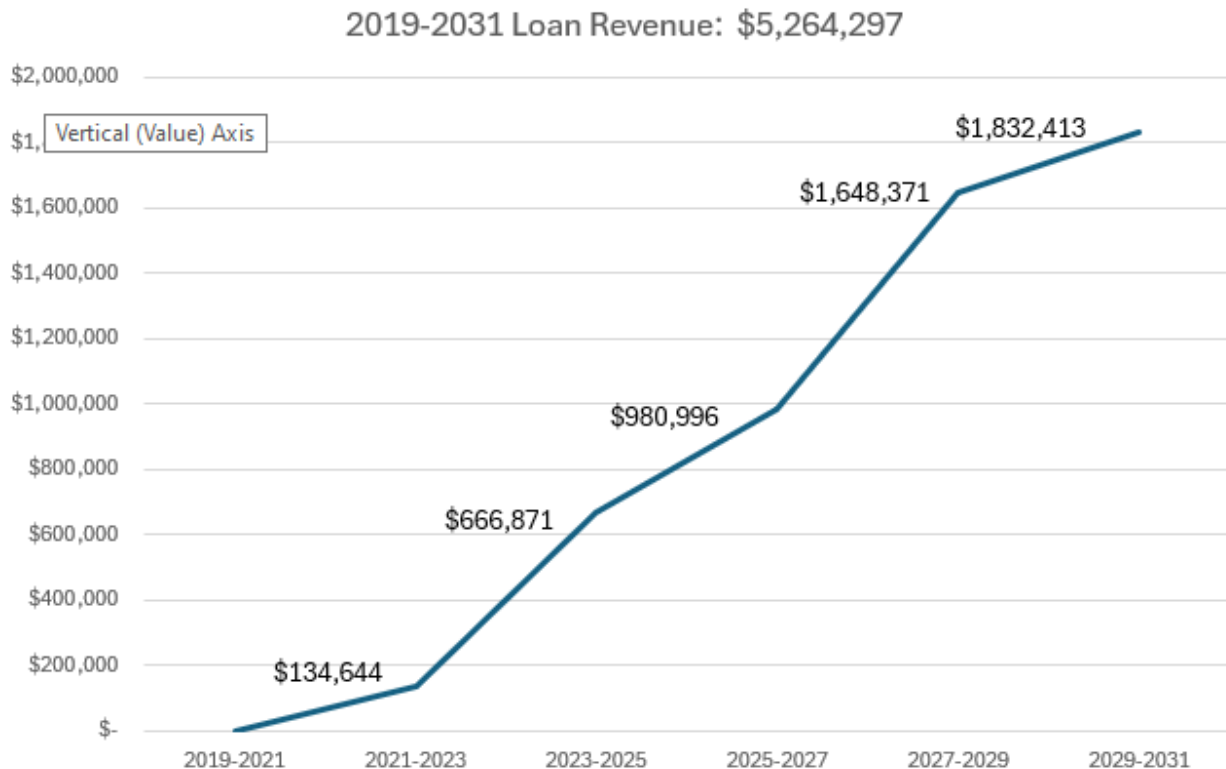
Actual loan disbursements, as of 9/19/24, equaled \$8,701,326 with administrative operating costs incurred of \$657,208. Operating costs consist of \$3,801.49 in supplies, \$3,751.44 in travel, and \$649,655.44 in salary/benefits for one (1) staff position to administer the loan program. Dave reminded the group that the program has no operating budget appropriation and administration must be paid out of capital funds initially with the expectation that future operating costs will be paid out of loan interest and investment revenue. Remaining budgeted funds for the 2023-2025 biennium is \$5,641,465.



Program revenue from loan repayments and investment income is projected to total \$1,429,241.75 by June 30, 2025. Total loan repayments equal \$801,514.48 consisting of \$560,565.71 in 'Return of Principal' and \$240,948.77 in paid 'Loan Interest'. 'Investment Revenue' earned on program funds held in the custody of the Office of the State Treasurer (OST), totaled \$470,727.27 through July 2024. Investment revenue is allocated based on the fund balance and posted monthly. July's Return on Investment (ROI) was 4.01% and varies based on market rates. Dave estimated an additional \$157,000 in investment revenue by June 30, 2025, based on a declining fund balance and a recently announced federal interest rate cut of 0.5% with forecasts of another 0.5% rate cut in 2025. Based on the forecast, investment revenue would total \$627,727.27 at the end of the current biennium. Total 'Program Income' (interest and investment revenue) would be \$868,676.04 by June 30, 2025. Total CARB loan funds of \$15,868,676 less \$800,000 in operating costs equate to \$15,068,676 in working capital by June 30, 2025.

Andrew asked how the interest earned would be used. Dave responded that interest would be used to fund new loans and pay for operating expenditures. He confirmed that \$300,000 of earned interest is being used to pay for all operating/administrative expenditures this biennium. Andrew summarized that the loan program would be self-sufficient. Dave affirmed that is the strategy of the program.

The Program Manager next displayed a graph projecting current loan repayments per biennium from 2019 to 2031:



The 2025 legislative session begins January 13, 2025, and is scheduled to end April 27, 2025. A 'Capital Budget Request' for the CARB Loan Program has been submitted for an additional \$5 million. This would increase the CARB fund balance to slightly more than \$20 million.

Chris asked if there was positive feedback on the loan program from the legislators. Dave responded that during the 2023 legislative session, the loan program received universal support, and there were no legislative or public objections to the funding. Due to the program's success, he does not expect any opposition to the request. Representative Tom Dent has historically been a supporter of the program. We hope to have similar support from Senator Matt Boehnke in 2025. Aviation Director, Ann Richart, will continue efforts to support the program through the budget process.

Loan Project Update: The Loan Program Manager summarized the status of funded loan projects. To date, 23 total projects have been funded for \$13,286,166. \$1,255,047 is remaining for award in December 2024. 13 projects have been completed totaling \$6,694,338. By, June 30, 2025, a total of 20 projects is anticipated to be completed for \$11,431,166. That equates to 78.9% of all projects.

Completed Projects: The Program Manager displayed a list of completed projects and selected photos of the projects:

- Sequim Valley Airport - UST Removal Project \$15,000.
- Sequim Valley Airport - Access Road and Fueling Area Repaving Project \$70,000 (spent \$69,733).
- Port of Port Angeles, Wm. R. Fairchild Airport - Utility Extension & Hangar Development Project \$750,000.
- Port of Othello, Othello Municipal Airport- 10-unit Hangar Project \$450,000
- City of Chehalis, Chehalis Municipal Airport - Above-ground Fueling Facility Project \$750,000.
- Pierce County, Thun Field - Hangar Door Replacement Project \$750,000.
- Port of Bremerton, Bremerton National Airport – Multipurpose Facility \$750,000.
- City of Chewelah, Chewelah Municipal Airport – Aviation Fuel Tank Facility \$425,000.
- City of Colville, Colville Municipal Airport – Jet A Fuel Tank \$300,000.
- City of Deer Park, Deer Park Municipal Airport – Sewer Utility Extension – Phase 1 \$730,000 (spent \$257,302).
- Chelan Douglas Regional Port Authority, Pangborn Airport – Taxiway B and Hangar Site Development \$1,200,000.
- City of Auburn, Auburn Municipal Airport – Hangar Enclosure \$825,000.
- City of Moses Lake, Mose Lake Municipal Airport – Fueling facility \$175,000 (suspended/spent \$152,303).

Board member and Auburn Airport Manager, Tim Mensonides, provided some background details on the Auburn Municipal Airport and the project. The hangars were original to the airport that was founded in 1969 including one row having unique fabric, roll-up doors that were constantly failing and very expensive to repair. Due to weather conditions, there is high demand for enclosed hangars with a waiting list of 10-15 years. The \$1.6 million project utilized some Federal BIL funds along with airport funds to enclose the open hangars and install metal doors with windows along the top for natural light to filter in. Everyone was extremely happy with the end results and the airport hopes to apply for more funds in 2026.

The Program Manager explained All projects were completed except for the City of Moses Lake. The city chose to suspend the project due to unforeseen issues with electrical service and secondary containment. The project was initially awarded in 2020 and was planned for completion in 2021. City staff turnover delayed the project and contributed to a loss of continuity. The city requested a loan payoff and submitted payment on September 19, 2024. The Program Manager plans to inquire about the status of surplus fueling equipment.

Projects In-progress: The following projects are near completion and/or under construction.

- Port of Benton, Richland Airport – Terminal Building Acquisition \$1,100,000.
- City of Kelso, SW Washington Regional Airport – New Fuel Farm \$1,200,000.
- Lewis County, South Lewis County Airport – New Avgas Fueling Facility \$658,278.
- Port of Ephrata, Ephrata Municipal Airport – Jet A Fueling Facility \$1,140,000.
- Sequim Valley Airport - New Hangar \$180,000.
- City of Deer Park, Deer Park Municipal Airport – Airport Utility Installation – Phase 2 \$370,645.
- Port of Lopez, Lopez Airport – Purchase John Deere Maintenance Tractor - \$65,208.

The Program Manager shared photos and provided updates on each project.

The Port of Benton, Richland Airport terminal building was purchased in December 2023. Building remodeling and updates are underway. Security cameras, electronic badge access, LED lighting, and a new sign were added. \$48,457 is remaining for window replacements. Landscaping and exterior painting is also planned. New Board member and the Port's Executive Director, Diahann Howard, and Airport Manager, Quentin Wright, commented on the project and thanked the Board for the funding.

City of Kelso, SW Washington Regional Airport fuel farm is operational with Jet A fuel and 100LL Avgas. Remediation of the old underground fuel tanks began in August 2024. \$553,385.37 has been paid out with \$646,614.63 remaining to be invoiced. Board member and Former SWRA Airport Manager, Chris Paolini, had initiated the project and provided some additional details. The new Airport Manager is working on submitting the remaining project expenses. The project is substantially complete except for removal of the old fuel equipment.

Lewis County, South Lewis County Airport new fueling facility's procurement and manufacture of the above ground Avgas system and appurtenances (Phase 1) is completed. Phase 2 – site preparation and installation of equipment was awarded to Roglin's, Inc. Work began on September 23, 2024, with completion slated for completion by November 29, 2024. \$89,540 has been disbursed with \$568,738 remaining to be invoiced.

Port of Ephrata, Ephrata Municipal Airport Jet A fueling facility's building permit was issued September 16, 2024. A pre-construction meeting with the port, Precision Approach Engineering, H&H Construction Solutions, and Mascot Equipment was held on September 20, 2024. Construction to begin on October 30, 2024, with the project to be completed by January 2025.

Sequim Valley Airport's new box hangar construction is underway. Site preparation, utilities, and concrete pad is completed. The prefabricated steel hangar is being assembled (photos provided) and planned to be completed by late October 2024. \$157,509.56 has been disbursed with \$22,490.44 remaining to be invoiced.

City of Deer Park, Deer Park Municipal Airport's utility installation (Phase 2) project was delayed for FAA approval. Bids were advertised on September 20, 2024, with bid opening occurring on October 8, 2024. Construction is scheduled to begin in late October and end in December 2024. To date, \$21,204 has been spent with \$349,441 remaining to be invoiced.

Port of Lopez, Lopez Airport's maintenance tractor acquisition project to be purchased off Washington's statewide DES contract #05218. A purchase order for a John Deere 4052R tractor with snowplow and mowing attachments has been placed with Pape Machinery, Company in Mt Vernon. The Port is awaiting approval from Deere & Company for the contract discount allowance. Delivery is anticipated in October 2024.

Projects underway but have not begun construction include:

- Kittitas County, Bowers Field – Hangar Utility Extension \$105,000.
- Klickitat County, Columbia Gorge Regional Airport – Aviation Maintenance Workforce Expansion Program and Airport Infrastructure \$1,000,000.
- City of Davenport, Davenport Municipal Airport – 9-unit T-Hangar \$750,000.

Kittitas County, Bowers Field Hangar Utility Extension project was awarded in December 2020. \$4,208 was spent in October 2021 for engineering services. The County is awaiting permitting and load requirements from Puget Sound Energy to install a transformer for electrical service. Multiple airport managers have delayed project progress. The project is now estimated to be completed in 2025.

Klickitat County, Columbia Gorge Regional Airport's aviation maintenance workforce training facility/hangar and infrastructure project was awarded in September 2023. The County was trying to secure additional federal and/or state funds for the \$5.9 million project. Project bidding is planned for May 2025. Construction is scheduled to begin September 2025 and be completed in March 2027.

City of Davenport, Davenport Municipal Airport 9-unit T-hangar project was awarded in June 2024. After negotiations, the loan term was revised to 17-years with a 3-year deferral. The final loan agreement was sent for execution on July 16, 2024. The city council is awaiting final city engineering estimates before signing loan agreement.

Call for Projects: The loan program has over \$1.2 million available to award. Applications are being accepted with anticipation the Board will meet in December 2024 to award the remaining funds. To date, CARB has received interest and partial applications from three (3) airport sponsors totaling \$3.6 million. The loan application submittal deadline will be in late November.

Comments/Next Board Meeting:

The Program Manager asked if there was any questions or comments regarding the projects from the Board. Board member and Kittitas County Commissioner, Cory Wright, acknowledged airport staff turnover has been an issue and commented that it's been a challenge finding qualified candidates to run the airport. The Program Manager noted that the current Airport Manager and Public Works Director, Josh Fredrickson, has been responsive to his inquiries and we have provided loan documents and engineering plans that Josh did not readily have. In addition, this is not the only capital project the airport is trying to complete. Bowers Field is also working on a grant-funded taxiway/apron repaving project. Cory responded that he is following up with Josh on the project.

Public Comment: Guest Terry LaRue, pilot with an airplane based at Bowers Field, commented on the Kittitas County (Bowers Field) project. He shared concerns that delays in the project might cause the newly configured taxiway E repaving to be dug up to trench the electric utility lines to the new hangar sites. In his opinion, while the intent of the loan was to stimulate economic growth, delays have

potentially discouraged economic viability. He noted the large hangar pictured was built in 2022 on the promise electricity would be provided. The owner has been using a gas-powered generator to operate the hangar doors. Purportedly, the owner has been told repeatedly by the county that electricity would be extended. Terry confirmed there has been multiple airport managers and, he believed, many seemed unqualified. He concluded that lack of expert oversight has contributed to performance failures at the airport.

The Program Manager informed the group that the Kittitas County originally requested \$485,000 that included taxiway paving that may have contributed to delays. CARB could only partially fund the project with \$105,000 for the electrical service extension portion with the remaining 2019-2021 appropriation. When discussing the project with the current airport manager, we have offered additional funding if that would assist in completing the project.

Cory informed the Board that the County discovered Bowers Field has three (3) electric service providers: The local PUD, the City of Ellensburg, and Puget Sound Energy (PSE). It has been determined that PSE is the affected utility provider. They were contacted 8 months ago and met on site. The airport is waiting for PSE's final draft design followed by another site visit for review. The utility controls the process that has proved to be quite prolonged. Cory emphasized the need for the County and CARB to ensure these projects result in the economic gains intended.

December Meeting/Adjourn:

After discussion, the next Board meeting was scheduled for December 5, 2024, at 10:00 am to Noon. The Board Secretary will create a meeting invitation to be sent to Board members.

George adjourned the meeting at 10:47 a.m.

David Chenaur

David Chenaur, CARB Secretary

Date: October 15, 2024