



## CARB Board Minutes

Olympia Regional Airport Conference Room – Microsoft Team Meeting  
Thursday, October 16, 2025: 9:00 am – Noon

The meeting was called to order by the Board Chair, George Steed, at 9:07 a.m. Board members Cory Wright, Diahann Howard, Michael Echanove, and Ann Richart participated via video conference. George Steed, and Board members Chris Paolini, Tim Mensonides, Andrew Face, and Secretary/Loan Program Manager Dave Chenaur participated in person. Board member Jeralee Anderson was absent. WSDOT guest presenters John Wilson and Beth Jesse, attended via video conference and Port of Moses Lake loan applicant, Rich Mueller, attended in person.

**Announcements:** George welcomed the Board members and guests.

**Public Comment:** The Chair asked if there were any comments from the public. No public comments were received.

**Board Agenda & Schedule:** No changes were made to the agenda. The agenda was adopted, as drafted.

**Approval of May's CARB Minutes:** The Chair asked if everyone had an opportunity to review the May 8<sup>th</sup> board minutes that had been distributed and if there were any comments or revisions. No revisions were offered. Chris motioned to accept the minutes as written, Tim Mensonides seconded the motion. After no additional comments, the minutes were approved unanimously.

**Lease/Rental Rate Study:** WSDOT's State Airport Manager, John Wilson, presented WSDOT's intention to conduct a comprehensive, statewide evaluation of leasing rates and user fees at mid-sized and small general aviation airports in Washington State. The study aims to:

- Align lease rates and fees with the true cost of operating and maintaining each airport.
- Promote fairness and consistency across the statewide airport system.
- Ensure compliance with FAA and WSDOT grant assurances.
- Support long-term financial stability and equitable access for all airport users.

John explained that airports face significant operational, maintenance, and capital expenses, yet current leasing rates and fare structures vary widely across the state and often do not adequately reflect the actual cost of running these facilities. The study will evaluate existing agreements, benchmark rates against comparable airports, and assess whether current revenues are sufficient to support long-term financial sustainability. The results will provide the State of Washington with standardized, fair, and FAA

compliant recommendations to ensure transparency, equity, and consistency in airport leasing practices statewide.

John described the key tasks of the study and the planned timeline. On October 15, 2025, he issued an airport fee solicitation. Bids are due by November 14, 2025, and he expects to make an award by January 1, 2026. The expectation is to have a document by mid-July 2026.

WSDOT Aviation Director, Ann Richart, stated that her interest in doing the study is that we've seen for the last couple of years that Washington state through the legislature is not funding aviation. Our grant programs are being heavily used and last legislative session, one of our grant programs wasn't funded. As Board members, you have witnessed lots of airports with needs for the CARB program. Without sufficient state funding for aviation infrastructure, it's vital we help the airports figure out how to charge reasonable fees because infrastructure needs to be paid for.

Chris Paolini asked if John had already determined a list of variables to analyze hangar rates. Chris explained Olympia Regional Airport is planning on conducting their own assessment next year to consider replacement costs over their lifespan including accounting for a reasonable percentage of overall operating cost. John responded he had a list of variables that would be discussed and negotiated with potential consultants during the bid process.

Loan Program Manager, Dave Chenaar, commented that several Board members had approached him in the past for some type of market study to help evaluate project applications. When he learned John was conducting a similar study, he saw the opportunity to "piggyback" on the study and provide some CARB administrative funding to address the Board's concerns.

Discussion migrated to airport infrastructure costs and how they should be paid for. It was noted that currently aviation fuel tax revenues are being diverted and limited aviation funds are primarily used for runway and taxiway maintenance and improvements. There is an expectation that hangars should be able to pay for themselves, however, some did not support hangar rates funding airport operations. It was acknowledged that airports do not have standardized rates. Depending on the airport's location and their potential to generate revenue from their assets, airports employ different strategies to recover costs. Diahann asked if there would be an opportunity for the Board to receive progress reports and have some input on the final report. John responded affirmatively. Ann confirmed that FAA's policy requires airports develop fee structures that make airports as financially self-sufficient as possible. John was referring to federal and state grant assurances requiring airports to charge market rates to become less reliant on federal and state funding. Ann state explicitly that hangars should not be subsidized. Cory displayed appreciation in addressing the issue and commented that it is a very contentious issue in the aviation community. Dave confirmed that he will keep the Board informed on the progress of the study.

Without further questions, the CARB Program Manager thanked John for his presentation.

**Loan Applications:** The Chair recognized Loan Program Manager, Dave Chenaar, to discuss the loan applications received. Dave informed the Board that we received five (5) applications totaling \$2,328,315. At the last minute the City of Davenport withdrew their application for a Jet A Fuel Tank in the amount of \$500,000 on the advice of FAA's Regional ADO. FAA stated they did not have the staff nor the time to review and approve the proposed fuel tank location and suggested waiting till next year to apply for funding. As such, there are only four (4) applications to review for \$1,828,315, as follows:

Port of Moses Lake, Training/Testing Facility - \$1,200,000: The Port is Requesting \$1.2M, 20-year loan for a training center to provide a turn-key location for military exercises and missions, and flight test programs. The project is comprised of:

- 24,000/sq.ft. Training Center, with office spaces, restrooms, kitchen area and meeting areas.
- Concrete pads for shower stalls and waiting area.
- Concrete pads for tents and/or equipment

The Airport currently hosts 5-10 flight tests and 5-10 military exercises per year. Both their flight test and military customers have asserted that a purpose-built, consolidated space would be more efficient and very attractive. Supporting military activity and flight test are two of four major revenue generators on the airfield (the other two being flight training and the recent aircraft storage/delivery), so this project would increase an already steady stream of documented revenue. In the case of an extreme wildfire year, this facility could also support a second Aerial fire attack base with the simple addition of a portable retardant station.

An updated project cost is estimated at \$2.8M w/\$1,600,000 provided in local funds. The applicant submitted project drawings, project cost estimate, estimated project schedule, spending plan, repayment plan, and estimated jobs and revenue worksheet. The combined facility is expected to rent for \$10,000 per week, and free up the current spaces for other revenue opportunities. Construction will occur in 2026, in which they expect no revenue. A conservative estimate of use for the first years is four (4), one-week rentals, creating \$40,000 in revenue. With estimated annual loan repayments of \$73,388.06, the initial year's rental income will not cover the loan, but the Port of Moses Lake has the financial resources to subsidize the difference annually until the training center revenue reaches a minimum of eight weeks' worth of bookings, expected by 2029. The application received an average score of 86.7 and was recommended for funding.

Port of Moses Lake Airport Director, Rich Mueller, was present and provided additional details and answered questions from the Board. Cory shared concerns with the estimated project cost. He has received higher estimates for a substantially smaller project in Kittitas County. Rich responded that he received an updated project cost from engineers, but the Port was prepared to cover the additional costs. Cory also asked Rich to explain what test flight involve. Rich provided a detailed response on logistics.

WSDOT Aviation's Budget Officer, Beth Jesse, briefed the Board on the financial Health of the Port of Moses Lake. She displayed selected elements from the State Auditor's Office Financial Intelligence Tool (FIT) reports. The Port had \$14,371,010 in revenues and \$7,169,266 in expenditures for FY2024. Cash Balance Sufficiency, Change in Cash Position, and Enterprise Self-sufficiency indicators are all listed as "good". Debt Load was indeterminate. The Port has had no audit findings for FY2021, FY2022, and FY2023. The last audit finding in FY2015 was corrected. FY2023 cash flow statement also showed revenues exceeding expenditure by over \$4.48 million. FY2023 Schedule of Liabilities shows a CERB loan for over \$2.5 million due in 2040 and Note 8: Long Term Debt includes over \$14.7 million in total debt through FY2042.

Sequim Valley Airport, 4 Box Hangars - \$550,000: The applicant is requesting a \$550,000, 20-year loan to construct four box-type aircraft rental hangars:

- Two 44'x32' buildings.

- Two 48'x 32' buildings.
- One hangar will have an additional 15' x 32' garage.
- Construct 200' taxiway access to these hangars.

There is an ongoing need for additional hangars for aircraft owners, and it will add storage for airport maintenance vehicles and equipment. This will increase airport assets and revenues including more fuel and maintenance sales. The project will also provide an overnight storage option and a maintenance overflow hangar for Dungeness Aircraft Service. The capital asset will also provide depreciation tax schedule advantages. Projected annual revenue is \$47,040 (4 units \* \$980/unit per month \*12 months) less annual loan payment of \$33,636 = \$13,404 in gross income. Additional annual costs (insurance and property taxes) are estimated at \$5,376. Leases include an escalation clause after 3 years based on the Seattle CPI.

This is an amendment to original request that was partially funded (\$180,000) due to lack of eligible funds. Proposed project expenses were supplied including a quote by MiNER Pole Buildings, LLC. An 'Intent to Lease' agreement was provided for proposed hangars at \$980/month w/escalation clause. Their application received an average score of 77.7 and is recommended for funding.

Beth stated Sequim Valley Airport is privately owned and is not subject to SAO audits. They have received three small loans totaling \$265,000 and have successfully completed all three projects. They have paid off the 1st loan, began repaying the 2nd loan, and will start repayments of the 3rd loan on February 1, 2026. They have no delinquent or late payments.

City of Tekoa, Fuel Pump Replacement - \$43,315: The applicant is requesting a 20-year loan to remove and replace the current unreliable aircraft fuel pump system. Replacement includes:

- Removal of existing pump assembly.
- Installation of new replacement pump.
- Disposal of old pump assembly.

The cost estimate for replacing the current fuel pump system is \$43,314.66 from a quote submitted by CDASSE in Coeur d Alene, ID.

The current fuel system frequently malfunctions and ceases working. With no dependable service for local and transiting pilots, the airport is losing funds necessary for self-sustainment. The city has incurred substantial costs in trying to maintain the old unreliable equipment.

Fuel sales averaged \$20,746/year from 2021-2024. 2025 fuel sales through July totaled only \$4,299.64. Estimated loan repayment is \$2,648.98. City realizes \$1/gallon on fuel sales sufficient to repay the loan. The city has also budgeted \$15,000/year towards airport obligations. The city provided Tekoa's Special Council Minutes CARB loan application approval and the Port of Whitman provided a letter of support for the project. The Project is ready to proceed immediately and no SEPA/NEPA required (categorical exclusion). The application received an average overall score of 75.2 and was recommended for funding.

Selected elements of SAO's FIT reports were displayed and Beth Jesse provided analysis. The city had \$1,951,997 in revenues and \$1,392,589 in expenditures for FY2024. Cash Balance Sufficiency, Change in Cash Position, Governmental Funds Sustainability, and Debt Load indicators are all listed as "good". The

city had audit findings in FY2021-FY2023. Cited were deficiencies in internal controls to ensure accounting and financial statements were accurate and complete. The identified cause was turnover of key personnel involved in preparing and reviewing annual financial reports. In addition, city personnel did not dedicate the time or resources necessary to research and understand the accounting and reporting requirements before submitting the financial statements. Cash Flow Statements for FY2021, FY2022, and FY2023 were displayed along with FY2023 Long Term Debt.

Board member Michael Echanove lives nearby in Palouse and supports this project. He concurs with the letter of support provided by the Port of Whitman and confirmed the building of a new business park. The Coeur d Alene Casino is only 20 miles away and Tekoa is also trying to attract flights for those who wish to fly to the area.

Town of Rosalia, Fuel Facility - \$35,000: The town is requesting a \$35,000, 20-year loan to install an FAA approved 1000G fuel tank with pump at their current non-operational fueling station and install a fuel POS system.

The old fueling facility has been inoperable for the last 8-10 years. The provision of fuel will increase activity at the Rosalia Municipal Airport and restore a revenue stream. The Airport Manager estimates 250 gallons of fuel sales monthly\*. Adding fuel services will also increase the likelihood of private hanger development.

*\*Requested additional information including any historic fuel sales data, and bid/quote documentation.*

The project cost is itemized as \$24,000 for fuel tank purchase and installation. \$10,000 for accessories and the POS system is based on a manufacturer's bid. \$5,000 is provided in local funds. The project is shovel ready and the fuel tank is available "off the shelf" from a Montana vendor. Estimated annual loan payment is \$2,140.49. ALP provided showing the fueling site location. Task Order 2025-01 was developed w/JUB Engineering to assist with the project. Application received average overall score of 64.3 and was recommended for funding.

Selected elements of SAO's FIT reports were displayed and Beth Jesse provided analysis. The city had \$1,203,432 in revenues and \$628,938 in expenditures for FY2024. Cash Balance Sufficiency, Governmental Funds Sustainability, and Debt Load indicators are all listed as "good". Change in Cash Position is list as "cautionary".

The town had multiple audit findings between FY2015 and FY 2017. Town management did not design effective internal controls that provide reasonable assurance of compliance with state laws and policies for safeguarding of public resources. The town also did not retain supporting documents for vendor payments, credit card payments, customer billing and receipts, bank statements, the adopted cost allocation plan, and employee payroll records for fiscal year 2016. Therefore, SAO could not perform detailed testing, and the town could not prove the validity of every transaction relating to the receipt, use, and disposition of public funds and property. Corrective action was taken by the town including retaining all original vouchers, receipts and relevant documentation for all transactions. The Mayor and Town Council review and sign off on all payroll, vendor and credit card transactions. Duties are segregated to the extent possible, given the small size of office and limited personnel.

Board members shared concerns about the estimated costs of the project. Chris also was concerned with the fuel sales estimate. Specifically, if the airport could be competitive on fuel price with the

delivery surcharge. Tim concurred that the application seems incomplete and a little more information is needed.

Cory shared his experience with small towns in his county. Small towns often rely on volunteers to perform important tasks including applying for funds. He would like to ensure all applicants have an opportunity for a loan and not just applicants who have the staff and expertise to submit more sophisticated applications. The loan request is small, and the town appears to have the resources to repay the loan. Cory agreed that the town could use some help in responding to some of the Board's concerns.

Board Member Andrew Face commented the town has \$1.8 million budget balance and 2 years cash on hand. As an investment banker he was confident that the town has the resources to repay the loan based upon the financials provided.

Michael shared the airport is about 6 miles out of Rosalia and was ideally situated when nearby Malden and Pine City were on fire. It would have been a prime location for air service when the fire was going on. The airport is also less than 30 miles south of Spokane Airport with plans to hangar aircraft that could not afford a hangar at Spokane.

After further discussion, Chris and Diahann volunteered to contact the applicant and provide some expertise as airport peers. Diahann suggested regional partners, including Kara from Whitman County, be included in the collaboration. Several members applauded the suggestion as good business practice on behalf of CARB.

**Loan Awards:** The Program Manager summarized each application under consideration and read comments provided by the evaluators.

Chris moved to fund the Port of Moses Lake Training and Testing facility for \$1.2 million. Diahann seconded. George asked for comments. Cory responded that if this was solely a military project he would not be in support. However, he acknowledges that the Port also serves a broader economic position in regional aviation, and despite concerns about the low project cost estimate, he supports the project. The Loan Program Manager believed the project would be a good addition to the CARB program's portfolio and could become a "flagship" project in terms of generating revenue that would help market the loan program in the future. Without further comment, the Board voted unanimously to fund the project.

Tim moved to fund Sequim Valley Airport, Inc. 4-Box Hangar project for \$550,000. Andrew seconded the motion. George asked for comments. Diahann commented that she is not a proponent for pole buildings. She understood the reason provided and it is a small community. Tim responded that Shelton airport just built an entire row of hangars that are pole buildings and Auburn is considering the same for hangar development. While he would prefer metal structures, with Western Washington climate and the additional cost, it is not feasible. Without further comment, the Chair called for the vote. The Board voted unanimously to fund the project.

Diahann motion to approve funds for the City of Tekoa for their fuel pump replacement. Tim seconded the motion. Some discussion ensued on the amount of fuel sales and whether the \$1.00 per gallon was the current profit margin. Without further comment, the Chair called for the vote. The Board voted unanimously to fund the project.

Evaluators' scoring for the Town of Rosalia's fuel facility projects varied widely from 60 to 90 points. The variation was not on the worthiness of the project but on the lack of information contained in the application. Chris asked if the fuel system was for Jet A or Avgas. The Program Manager stated the application did not explicitly state the fuel type, but believed it was Avgas. The application stated there were seven (7) based agricultural aircraft at the airport. Board members stated they likely use Jet A fuel. With a 1000-gallon tank, the Board expressed some concerns about the fuel delivery surcharge for partial deliveries unless they can partner with another user. Chris motioned to postpone the decision with a caveat the applicant supply a high-level engineer's estimate for the project along with an anticipated fuel cost estimate from the fuel supplier. Ann seconded the motion. Chris provided permission to share his contact information. Diahann also volunteered to assist along with the Port of Whitman. With no further comment, the Board voted unanimously to postpone the funding decision until the December meeting.

The Program Manager informed the Board that he will send Initial Offers of Financial Aid to the awarded projects and reach out to the Town of Rosalia to inform them of the Board's decision and the offer of assistance.

**Comments/Next Board Meeting:** Ann commented on fuel facilities applications and her concerns with the aviation industry transitioning to alternative fuels such as SAF and 100UL. Some airports are discussing buying additional tanks to provide both types of fuel. In her opinion, it would be a waste of resources to fund duplicative fuel storage equipment. She informed the Board that WSDOT is looking at ways to provide temporary storage solutions for airports transitioning to new fuel types versus buying additional tanks.

Chris informed the Board that unleaded GAMI fuel, when certified, can be co-mixed with existing 100LL. George and Tim added that Swift 100R has the same potential. Ann concurred and added Swift is developing a line of temporary fuel tanks, as well.

Cory announced the Bower's Field CARB-funded project has been successfully completed.

After discussion, the next Board meeting was scheduled for December 4, 2025, from 9:00 am to 11:00 am. The Board Secretary will create a meeting invitation to be sent to Board members.

George adjourned the meeting at 11:30 a.m.

*David Chenaur*

David Chenaur, CARB Secretary

Date: November 18, 2025