



## CARB Board Minutes

WSDOT-HQ 2F21 Plaza Conference Room – Microsoft Team Meeting  
Thursday, May 8, 2025: 10:00 am – 11:30 am

After a slight delay due to a technical issue, the meeting was called to order by the Board Chair, George Steed, at 9:10 a.m. Board members Cory Wright, Diahann Howard, Chris Paolini, Tim Mensonides, and Andrew Face participated via video conference. George Steed and Secretary/Loan Program Manager Dave Chenaour participated in person. Ann Richart, Michael Echanove, and Jeralee Anderson were absent. Guests Jesse Daniels, My-Hahn Mai, Beth Jesse, and Terry LaRue attended via video conference.

**Announcements:** George welcomed the Board members and guests. The Board members and guests in attendance introduced themselves.

**Public Comment:** The Chair asked if there were any comments from the public. Terry LaRue shared his disappointment with the progress at the Kittitas County, Bowers Field hangar utility extension project. He suggested that the failure of the project to be completed in a timely manner reflects poorly on the Board.

Program Manager, Dave Chenaour, commented that project updates including Kittitas County will be discussed later in the agenda.

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

**Approval of December's CARB Minutes:** The Chair asked if everyone had an opportunity to review December 5<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.

**CARB Audit:** WSDOT's Audit Liaison, Jesse Daniels explained the types of audits WSDOT is subject to. The current CARB audit is an "accountability" audit to ensure state law and WSDOT policies/procedures are being followed. Three CARB projects were selected for review and the Program Manager furnished the requested documents. The State Auditor's Office (SAO) inspected the loan applications, approval process, loan agreements, and payment vouchers. No issues have been found, and the audit is expected to be wrapped up by the end of the week. Jesse complimented the Program Manager for being very responsive to the auditor's requests and having all processes well documented.

Chris Paolini asked which three projects were selected. The Program Manager responded that the Port of Benton, Port of Ephrata, and Chelan Douglas Regional Port Authority were selected out of all projects awarded between July 2022 and June 2023. George asked if a finding of no issues is the best outcome. Jesse responded affirmatively and added the program is “in compliance” with state and WSDOT requirements. The Chair thanked Jesse for the presentation to the Board.

**Program Budget Update:**

2025-27 Appropriation: WSDOT Budget Analyst, My-Hanh Mai, explained the funding history of the CARB loan program and the current funding request. WSDOT submitted a 2025-2027 capital budget request for \$5 million in September 2024. The former Governor included the \$5 million appropriation in his budget in December 2024. The new Governor did not officially release a budget. Subsequently, both the House and the Senate included the appropriation in their proposed budgets during the legislative session which resulted in SSB 5195 being passed by the legislature and sent to the new Governor for signature. Governor Ferguson is expected to sign the budget on May 20<sup>th</sup>. This will increase the CARB fund balance to \$20 million.

My-Hahn also provided an overview of the state biennial budgetary process. She highlighted the various budgets that are enacted including operating, capital, and transportation. My-Hanh displayed a flow chart of the major elements of the budget process and the budget cycle timeline. Andrew Face asked how a change in Governors affects the process. My-Hanh explained that the current Governor is required to submit a budget by December. The new Governor’s term does not begin until the following January. The new Governor has the option to submit their own budget. Due to time constraints and concurrence with the former Governor, Governor Ferguson elected to not submit his own budget and used the existing budget as a basis with some recommendations. The Program Manager asked how long the Governor has to accept the budget or veto. My-Hanh replied the Governor has 20 days to enact the budget.

Without further questions, the Chair thanked My-Hanh for the presentation.

Loan Payments: Program Manager, Dave Chenaur, briefed the Board on the current financial status of the program. He displayed a table listing loan payments received and scheduled through 2031 (below):

\$	-	2019-2021
\$	134,643.97	2021-2023
\$	666,870.51	2023-2025
\$	980,996.15	2025-2027
\$	1,739,468.29	2027-2029
\$	2,221,856.76	2029-2031
\$	<b>5,743,835.68</b>	<b>Total</b>

\$801,514.49 has been received with almost \$1 million to be collected during the 2025-2027 biennium. As more projects are completed and deferral periods are satisfied, loan repayments will increase substantially over the coming years sufficient to sustain the loan program into the future, as planned.

Investment Revenue: David summarized the investment revenue earned on program funds held by the State Treasurer’s Office (OST) totaling \$611,954.67, as of March 30, 2025. He explained that beginning

in 2021, CARB began earning interest on 22L funds that are allocated monthly. He estimated an additional \$42,500 by June 30, 2025, based on a current rate of return of 3.6833%.

## CARB Revenue/Income Detail

(as of March 31, 2025)

<b>Fund 22L Investment Revenue:</b>		
July 2019 – March 2025	\$ 611,954.47	Treasury Trust Portfolio
April – June 2025 (estimate)	<u>\$ 42,500.00</u>	March 2025 Earnings <b>3.6833%</b>
<b>Total Investment Revenue:</b>	<b>\$ 654,454.47</b>	
<b>Loan Interest:</b>		
Loan Repayments	\$ 801,514.58	
Less: Return of principal	<u>(\$ 560,565.71)</u>	
<b>Total Loan Interest Paid*:</b>	<b>\$ 240,948.77</b>	
<b>Total Program Income:</b>	<b>\$ 895,403.24</b>	

\* Interest paid does not include accrued interest on deferred loans and projects in-process.

Program Income also included interest earned on the actual loans. An additional \$240,948.77 was realized on loan repayments. Total income earned will total \$895,403.24 by June 30, 2025. This program income covers the program's administrative expenses and can also be used for new loans.

Based on the expected 2025-27 capital budget appropriation of \$5 million and the loan repayments and investment revenue, the Program Manager shared the 2025-27 CARB budget (displayed below). The program will have a total appropriation of \$20 million since the inception in 2019. Adding scheduled loan repayments of \$801,515 and \$654,454 in projected investment revenue, program funds will total \$21,455,969. Subtracting loans awards of \$16,886,166 and budgeted administration costs of \$800,000, leaves approximately \$3,769,803 for new awards in 2025-27 biennium. This amount factors in the two (2) contingent awards totaling \$2.4 million pending the 2025-27 appropriation.

## 2025-2027 CARB Budget

Appropriations (7/1/2025)	\$20,000,000
Loan Repayments (6/30/2025)	\$ 801,515
Investment Revenue (6/30/2025)	<u>\$ 654,454</u>
Total Available Funds	\$21,455,969
Less: Awarded Loans (12/5/2024)	(\$16,886,166)
Less: Administration (6/30/2025)	<u>(\$ 800,000)</u>
Available in 2025-2027	<b>\$ 3,769,803</b>

Lastly, the Program Manager displayed a table showing 2023-25 program expenditures. To date, administrative program costs, which include salaries, benefits, travel, and supplies, totaled \$258,580 out of \$300,000 allotted. This is on track to be underspent by 1% of the projected budget. Loan

disbursements equaled \$6,643,318 which is underspent by 17% of the projected budget. This is due to awarded projects delaying invoicing for eligible loan expenditures.

**Loan Project Updates:** The Loan Program Manager summarized the status of funded loan projects. To date, 23 total projects have been funded for \$14,486,166. Two (2) projects have been awarded an additional \$2.4 million subject to 2025-2027 appropriation. 18 projects have been completed totaling \$9,937,824. By June 30, 2025, a total of 21 projects is expected to be completed totaling \$11,513,469 which equates to 91.3% of all funded projects.

**Completed Projects:** The Program Manager displayed a list of recently completed projects and selected photos of each project:

- Port of Lopez, Lopez Airport – Purchase John Deere Maintenance Tractor - \$65,208. The tractor was delivered on 11/25/24.
- City of Kelso, SW Washington Regional Airport – New Fuel Farm \$1,200,000. New fuel farm was operational in January 2025. Awaiting the final invoice for demolition of old facilities and retainage.
- Port of Ephrata, Ephrata Municipal Airport – Jet A Fueling Facility \$1,140,000. Project completed on 1/24/25.
- Lewis County, South Lewis County Airport – New Avgas Fueling Facility \$658,278. Project completed on 3/31/2025.
- Sequim Valley Airport - New Hangar \$180,000. Project completed on 2/21/25. \$1400/month lease signed.

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

- Port of Benton, Richland Airport – Terminal Building Acquisition \$1,100,00. Building purchased in December 2023 for \$1,051,543. \$48,457 remaining for 19 window replacements. Windows on backorder until mid-June 2025. MP Construction engaged to perform work.
- City of Deer Park, Deer Park Municipal Airport – Airport Utility Installation – Phase 2 \$370,645. \$364,769.29 has been spent with \$5,875.71 remaining to be invoiced for retainage. Construction is near completion. Three new (3) leases in process; more planned after taxiway installed this summer.
- Kittitas County, Bowers Field – Hangar Utility Extension \$105,000. \$4,208 was initially spent In October 2021 to Century West for engineering services. PSE has approved submitted design with invoice pending. Construction to be started and completed in May 2025.
- Klickitat County, Columbia Gorge Regional Airport – Aviation Maintenance Workforce Expansion Program and Airport Infrastructure \$1,000,000. US Dept. of Commerce Economic Development Administration (EDA) granted an additional \$2.2M. Project Budget increased to \$7 million. Initial bidding exceeded \$10M. Scope reduction for hangar from 14,000 sq/ft to 10 000 sq/ft. and additional buildable lots reduced from 10 to 6. Construction started in April 2025. Construction completion scheduled for March 2027.

Diahann asked if the EDA grant funds were under contract. She shared concerns the County does not jeopardize its match for the federal grant. Dave believed the grant agreement had been executed but was not sure about the amendment. He asked if Diahann would be willing to have a conference call with

Klickitat and USDEA to confirm the timing of funding, match, and expenditures. Diahann agreed to participate.

**{Post meeting note: EDA Award #07-01-07839 Amendment 2 signed by US Dept of Commerce 12/17/2024 approving additional funds and change in scope of work confirmed in Klickitat County loan agreement file.}**

Projects Underway: The following projects were awarded in December 2025 and are in their beginning stages of being implemented.

- Port of Whitman County – Hangar and Site Development \$1,200,000. The airport engineer created a scope and fee for engineering. The plan is to be presented to the Commissioners for approval on 4/17 or 5/1 to execute the contract.
- City of Yakima, Yakima Air Terminal – Solar Covered Canopies \$1,200,000. Awaiting budget appropriation. \$600,000 sustainable grant award not funded in 2025-27 budget. Project feasibility subject to scope scalability and/or additional funds secured.
- CDRPA, Pangborn Memorial Airport – Hangar Development \$1,200,000. Awaiting budget appropriation. Scope of Work - option 1 selected and submitted for loan agreement.

Call for Projects: The loan program has \$3.7 million available for award. An additional \$1.2 million could be available to award dependent on the City of Yakima declining their award. A notice for funding availability will be generated in June 2025 upon the Governor signing the submitted capital budget. Awards are anticipated to occur when the Board meets in October 2025.

Comments/Next Board Meeting: Cory commented on developing a database for lease rates to assist communities with making good financial decisions. In discussions with the Program Manager, Dave was able to share two studies conducted by the States of Oregon and Georgia on lease rates conducted by consultants. Dave also shared WAMA has been trying to survey airports on lease rates voluntarily. Cory suggested the Board might consider mandating airports to participate in this type of study before applying for CARB funds. He also proposed working with the legislature to amend the CARB charter to allow funding for this type of lease rate database. He suggested current vacancies seem to indicate that airports are not charging market rates sufficiently enough to have availability. Diahann added that we also consider a database that includes hangar availability information across the state. Dave informed the group that a consultant has developed a database to track hangar availability. Unfortunately, WAMA and WSDOT were unwilling to fund the database. If the Board desires, he can schedule a presentation on the hangar database at a future Board meeting.

George commented that it's a complex issue due to the types of hangars available and the multiple pricing structures employed at some airports. Bremerton National Airport has three pricing schedules that change constantly, and a database would require continual monitoring. George was unsure it should be CARB's responsibility. Cory thought it would be limited to an annual update and not an ongoing database. Tim was familiar with both types of databases. He responded that WAMA was looking at the hangar fee structure with the caveat that the information is only as good as reported. Boeing Field took the lead and developed a "fairly comprehensive list". He also confirmed the hangar waiting list database Dave referred to. He commented that few airports were interested in subscribing and Auburn Municipal Airport was reluctant to pass on the cost to tenants with such low participation. Tim noted, if WAMA was unable to do it, that WSDOT was best positioned to develop and host a

database. However, he noted the current Aviation Director has commented that there was a lack of staff and funding.

Diahann concurred with Cory's request and liked the snapshot report. George was unsure whether WSDOT or CARB should be involved. Diahann requested the Program Manager to discuss the issue with the Aviation Director. Chris shared concerns requiring airports to respond to surveys and suggested making a financial forecast analysis a requirement for applying for hangar development loans. Tim agreed it would be more feasible. Cory suggested continuing the conversation in a future Board meeting. George tabled the subject to a future agenda.

**Next Board Meeting/Adjourn:** After discussion, the next Board meeting was scheduled for October 16, 2025, at 9:00 am to Noon. The Board Secretary will create a meeting invitation to be sent to Board members.

**Executive Session:** The Board adjourned to an executive session pursuant to RCW 42.30.110 to review and discuss a Board member's performance and delegate attendance. The Chair reconvened the Board at 11:50 am. No action was taken or will be taken as a result of the executive session.

George adjourned the meeting at 11:52 a.m.

*David Chenaar*

David Chenaar, CARB Secretary

Date: May 30, 2025