

## CARB Board Minutes

WSDOT-Aviation HQ – Microsoft Team Meeting  
Wednesday, July 29, 2020 9:00 am – 11:00 am

The meeting was called to order by Chair, JC Baldwin, at 9:02 a.m. Board members Richard Bogert, Jill Anderson, John Dobson, Andy Hover, Rich Mueller, Jennifer Skoglund, David Fleckenstein, and Board Secretary/Loan Program Manager Dave Chenaur participated via video conference. Alternate Michael Echanove participated by telephone. Guests Janea Delk, CERB Executive Director and Tribal Liaison, Cindy Chavez, PWB Budget Manager, and Chris Herman, Senior Director of the Washington Public Ports Association also participated via video conference.

**Announcements:** JC Baldwin welcomed the group and had everyone introduce themselves. JC asked if there were any announcements. None were offered.

**Board Agenda & Schedule:** JC asked if there were any changes to the agenda and schedule. The agenda was approved as drafted.

**Approval of April's CARB Minutes:** JC asked if everyone had a chance to review April's Board minutes distributed two months ago. No revisions were received. Andy motioned to approve the minutes. John seconded the motion. The Board minutes were approved with no objections. Jill abstained due to her absence at last April's meeting.

**Project Status:** Loan Program Manager, Dave Chenaur, updated the group on the status of the second round loans:

- 2nd Round Loan Status – 4 out of 7 loan offers accepted and under contract.
  - Port of Bremerton, Bremerton National Airport – Multi-purpose Facility \$750,000
  - Port of Port Angeles, William R. Fairchild Airport – Utility Extension and Hangar Development Project \$425,000
  - Sequim Valley Airport, Inc., Sequim Valley Airport – Access Road and Fueling Area Repaving Project \$70,000
  - Pierce County, Thun Field – Hangar Doors Replacement Project \$750,000
- 3 selected projects declined funds or asked for an extension to the IOFA
  - Spokane County Airport Board, Felts Field - Hangar Project \$750,000
  - City of Davenport, Davenport Municipal Airport – Runway Reconstruction Project \$200,000
  - City of Renton, Renton Municipal Airport – Hangar Demolition Project \$255,000 – Pending
- \$950,000 - \$1,205,000 available for 3rd round of funding

The City of Renton was granted two extensions of their IOFA due to the Covid-19 pandemic. The second extension has expired without a response from the airport sponsor prior to this meeting. The Airport Manager was contacted and stated that significant project scope changes were also being considered that was delaying the project from moving forward. Rescinding the loan offer would add \$255,000 in funding increasing available funding for a 3<sup>rd</sup> round to \$1,205,000.

**Project Construction:** The Loan Program Manager proceeded to update the Board on the status of projects under contract with CARB/WSDOT:

- Both Sequim Valley Airport Projects have been completed
  - UST Removal Project \$15,000
  - Access Road and Fueling Area Repaving Project \$70,000
- Othello Municipal Airport 10-unit Hangar Project (\$450,000) has started
  - Site has been cleared & preparing for concrete
  - Pre-fabricated hangar structure ordered & awaiting delivery
- COVID-19 impacts and Governor’s restriction on construction has delayed most projects by 1 to 3 months

**Financial Summary:** The Program Manager continued with providing the Board with a summary of the program expenses to date. So far the majority of expenses have been for administration; primarily the Program Manger’s salary. Other administrative costs such as travel and supplies have been minimal. Overall, administrative costs have been and are projected to be within budgeted amounts. Only one loan disbursement has been requested to date for the Othello hangar project. We expect reimbursement request invoices for both Sequim Valley projects in the next two weeks since both projects have been completed.

Dave asked Cindy Chavez, PWB Budget Manager, if the CARB funds earn interest while idle in the account. Cindy responded “no, interest goes to the General Fund”. Cindy thought the funds were still residing in the Public Works Assistance Account (058) but noted the expenditure summary listed another fund. She inquired whether a transfer was done. Dave responded “Yes, they were transferred to Fund 22L by WSDOT’s Budget Office.” Cindy requested a copy of the journal voucher with transaction dates and amounts. Dave confirmed he will provide copies.

JC asked if there were any questions from Board members. No questions or comments were received.

The Board decided to skip a scheduled short break and continued to the next agenda item.

**Program Budget & legislation:** The Program Manager summarized the results of the first two rounds of loan applications and awards:

- 60% of loan offers have been accepted and under contract.
  - Rd1: 10 applications received (\$7.54M); 7 awards (\$3.19M); 4 accepted (\$1.54M)
  - Rd2: 8 applications received (\$4.445M); 7 awards (\$3.2M); 4 accepted (1.995M)\*
    - \* City of Renton requested extension of IOFA (\$255K)

Due to COVID-19 impacts, a failed land acquisition project, and loan assurances impacting privately-owned airports, 40% of the loan offers were declined. The result is up to \$1,205,000 still available for projects. As such, a third round call for projects is necessary.

Amid the pandemic, state revenues and budgets have been adversely affected. Many Board members were aware that budget constraints could impact or delay awarding any remaining CARB loan program funds. The Loan Program Manager asked David Fleckenstein, Aviation Director, to address the issue.

David appreciated everyone's patience as WSDOT worked through revenue shortfalls that required state agencies to identify funding (expenditures) that could be delayed or postponed in order to meet immediate operational needs. After review of the aeronautics accounts, OFM determined that the CARB program funding source was not eligible to be redistributed. David concluded that the Board can now move forward with awarding the remaining funds. JC concurred that was "good news" for the Board.

With that conclusion, The Loan Program Manager recommended the Board approve conducting a third round of funding with requests for loan applications being released before the end of the month. This would provide applicants 2-months to prepare applications and an initial deadline of October 1<sup>st</sup>. Projects could be selected in Mid-October at the next Board meeting. JC requested feedback from members. Michael responded that he supported a third round of funding. Richard commented this would spur economic activity. JC concurred and added she is fully supportive and it's "good news in a tough time" and some airports would be appreciative of the opportunity. Jill, Jennifer, and David agreed with JC's comments. David also conveyed a recent discussion with Senator Honeyford regarding the remaining fund balance and his wishes to secure additional funding to sustain the program. David concluded that spending the remaining funding would assist in this endeavor.

Richard inquired about ongoing funding and legislation making the CARB program permanent. David responded that the CARB program has not been "solidified" in recent legislation *{SB 5011 stalled in Rules Committee and was not voted on by the Chamber}*. He added that Senator Honeyford and aviation advocates are intent on legislation to make the program permanent and to secure additional funding. JC, as the PWB representative, asked David if Senator Honeyford was planning on creating a dedicated revenue stream for the program or adding funding to the Public Works Account that would be directed to the CARB program. David responded that the Senator did not clarify. He thought that a recommendation from the Board as to the nature of the funding would be very beneficial. Both JC and David thought that the Board could discuss that recommendation at the October Board meeting in preparation for the next legislative session. Chris Herman commented that Senator Honeyford has significant influence on the capital budget. He felt under current circumstances, the only possibility for additional funding would be a similar infusion of funds the program received initially through the capital budget. David added that in the future it is likely the Commercial Aviation Coordinating Commission (CACC) will recommend sustaining the CARB Loan Program.

JC asked for a motion from the Board to conduct a third round of funding. Before the motion, two issues were raised and discussed.

Richard asked if the third round would be open to new proposals or only to those that have already submitted. The Program Manager preferred the call for projects be open to all qualified applicants and that airport sponsors can re-apply if their project was not previously selected. Dave referenced Sequim Valley Airport as an example of an applicant who was not selected in Round 1 but improved their application, re-applied, and was selected in the Round 2. The Board agreed to allow all qualified projects.

David sought resolution for the Renton Airport project. The Program Manager, Dave, recounted that Renton has missed the initial deadline and an extension for accepting the IOFA and did not respond prior to this meeting, as requested. As mentioned earlier, Renton has been dealing with multiple issues and have a new Airport Manager. The Program Manager thought It was unlikely Renton could move

forward with the project in the near term without significant change in scope of work. The Board conveyed their desire to not let the funds sit idle. After confirming proper notice was served, the Board decided to rescind the funding offer and allow the \$255,000 to be available for the third round. Renton could reapply without prejudice. The Program Manager will send written notice.

With questions answered, John moved to conduct a third round of funding open to all applicants. Jill seconded the motion. No additional discussion was offered and the motion passed unanimously.

Chair JC continued to the next agenda item.

**Emergency Loans** – The Program Manager was unsure this topic was still relevant based upon the Board’s preceding motion and asked Aviation Director, David, to address the topic. David explained the need for funding when airports have emergencies, but acknowledged the preference to not hold back any funds. JC suggested including emergency-type funding in future conversation with legislators when requesting additional program funding. Discussion ensued regarding what constituted an emergency versus an “emerging opportunity”. David and Rich provided real world examples. It was determined an emergency was an unanticipated event such as a fire, flood, and/or storm that damages and impairs airport operations requiring immediate repairs. Richard inquired about the timing of an emergency loan and how quickly the Board could award funds. David and the Program Manager confirmed the Board can call a special meeting with 5-day minimum notice per CARB Bylaws.

**Comments/Next Board Meeting**: JC asked if there was any closing comments. Dave asked for feedback on the initial Microsoft Team meeting. After discussion, most Board members preferred the convenience of online meetings though some also liked meeting in-person occasionally. Unfortunately, travel and meeting restrictions are anticipated to last until 2021. The next online Board meeting was agreed to be scheduled on October 15<sup>th</sup> from 10 am to Noon. Board Secretary, Dave C., was directed to send out a meeting request notice. JC thanked the Board for their participation.

The meeting was adjourned at 9:48 am.

\_\_\_\_\_ Date: \_\_\_\_\_  
David Chenaur, Acting CARB Secretary