

KNIK ARM BRIDGE AND TOLL AUTHORITY
BOARD of DIRECTORS
MEETING MINUTES #4-05

Board of Directors' Meeting, December 15, 2005, Multi-Use Sports Complex,
Wasilla, Alaska.

The meeting progressed in accordance with the previously established and published agenda, which is attached and part of these minutes.

The meeting was duly noticed on December 6, 2005 in the legal section of both the "Anchorage Daily News," and the "Frontiersman" as public meeting notices.

Numbers in these minutes correspond with the numbers in the agenda.

Chairman George Wuerch called the meeting to order at 2:00pm.

1. Roll Call by Chairman Wuerch

A quorum was established with four voting directors in attendance:
George Wuerch, Darcie Salmon, Dave Haugen, and Gordon Keith.

Also present: Board Member Representative Bill Stoltze and Senator Lyda Green;
KABATA Staff Members Executive Director Henry Springer, Deputy Executive
Director/Program Manager Darryl Jordan, and Director of Environmental, Regulatory
Affairs Dale Paulson; and Project Counsels Jim Cantor, Chief Assistant Attorney
General, and William Greene.

Recorder: Betty Fauber, KABATA Administrative Manager

There were 15 members of the public in attendance.

2. Approval of Agenda

Wuerch requested that an Executive Session be added at the end of the meeting to discuss financing and budget questions. Agenda was approved as revised.

Action #68-04-05.

Approved by unanimous vote.

3. Approval of Minutes from Meeting #3-05 (September 28, 2005)

With no additions or corrections noted, there was a MOTION by Haugen, second by Salmon, to approve.

Action #69-04-05.

Approved by unanimous vote.

4. Chairman's Report

Wuerch stated that the Governor would announce the capital project budget today but information regarding the allocation of appropriation of Congressional Earmarks was not yet available. As soon as the information is available Board members will be notified.

Wuerch thanked the public for their attendance. He introduced Kevin Hemenway, Senior Financial Advisor, a new contractor for KABATA.

5. Executive Director's Report

Springer reported on progress made since the last meeting including completion of the hydrology study report and the coordination for Beluga permitting; a Seismic Symposium was held by KABATA to garner formulas from experts to incorporate into the design. Springer stated that he attended a global 3P Conference in WDC, which was very informative and timely; an Industrial Symposium is being organized by KABATA to acquire innovative financial recommendations from highly experienced organizations.

He stated that critical decisions and challenges would be made in the near future, such as the EIS process, stipulations of permits, and ROW acquisition.

Springer thanked FHWA project manager, Edrie Vinson, KABATA Director of Regulatory and Environmental Affairs, Dale Paulson, and the project team at HDR for accommodating scheduling and organization.

6. Old Business

a. Draft EIS Update and Overview

Paulson stated that on November 17, FHWA project manager Edrie Vinson signed and released the project's Scoping Report. He reviewed the summary, which defines alternative access routes chosen by the FHWA to be carried forward in the draft EIS. The draft EIS has been distributed to the cooperating agencies for comments as part of a concurrent review. He stated that Wuerch will meet with FHWA next week and will ask for a timeline and milestone dates.

b. Status of MOA with MSB and ADOT&PF

Greene reviewed the structural outline Agreement regarding the Point MacKenzie Road Upgrade. Springer advised that the MOA is required by NEPA to determine project's termini and both the Mat-Su Borough and ADOT&PF have approved the agreement. Wuerch stated that he and Springer would execute the Agreement on behalf of KABATA.

c. Cost and Budget Report

Jordan handed out a Cost Summary and stated that project is within pre-construction budget and contractors' billable expenditures are being tracked on a weekly basis.

d. Mega Project Designation Requirements

Springer reported that the project has been designated by the FHWA as a Mega Project; a federal oversight program for projects, which are complex and/or over \$500 million. As required, a financial and management plan will be submitted to FHWA for approval.

7. New Business

a. Preliminary Traffic, Toll and Revenue Report

Jordan reviewed the Wilbur Smith Associates' Preliminary Traffic and Toll Revenue Study, a copy of which was given to the Board Members.

b. Finance Update

Hemenway reviewed, using a PowerPoint presentation, the preliminary financial study and business plan.

c. Legislative Requirements

Greene explained the need to seek legislation to clarify Alaska Statute chapter 19.75 to contain more precise definitions and other provisions to facilitate financing and operating the project. He requested adoption of Resolution #3-05: Authorizing Action to Amend Authority's Enabling Legislation.

Resolution #3-05.

MOTION was made by Salmon, second by Haugen, to adopt Resolution. After discussion authorization to seek legislative involvement for financing and other purposes was

Approved by unanimous vote.

d. Annual Report Preparation

Fauber reported that preparation of the 2005 Annual Report is on schedule to be delivered to the Governor and Legislature by the third day of the regular session; January 11, 2006. The required report will comment on 2005 activities, 2006 prospects and a financial statement.

e. Administrative Matters

Springer stated that the budget was in line to finish FY06. New positions such as the engineer will be filled using FY07 budget. State non-participating funds totaling \$350,000 were approved to use for Washington, DC services and other functions.

Springer introduced Resolution #4-05 explaining that due to complex financing and auditing required that the interim Audit Committee chaired by Tom Boutin needed to become a functioning Audit Committee, which calls for three members.

Resolution #4-05.

MOTION was made by Haugen, second by Salmon, to adopt.

Approved by unanimous vote.

Salmon and Haugen were asked to serve on the committee; they agreed to serve.

8. Board Members' Remarks

Salmon reported that the presentation he made about the project to the Mat-Su Resource, Conservation and Development Council's Annual Valley Economic Development Conference was well received.

Keith stated that it is critical to re-strategize funding plans. He welcomed Hemenway.

Wuerch stated that the bridge's toll revenue would add to the State's transportation program budget; revenue bonds can be sold that will be repaid by users.

9. Public Comments

Comments from public attendees were heard. Wuerch thanked the attendees for their input and encouraged everyone to continue to provide comments about the project.

10. Announcements

Wuerch announced that the next Board Meeting be held in Juneau on March 22, 2006. Board Members and the public will be notified of the details.

11. Executive Session

The Board went in to Executive Session to discuss finance and budget questions, the immediate release of which would have an adverse effect on the finances of the Authority.

The Board returned to open session at 4:06pm.

12. Adjournment: 4:07pm

Action #70-04-05

MOTION by Salmon, second by Haugen; vote unanimous.

Minutes Approved: Unanimous Board approval at March 22, 2006 Board Meeting.

Attest: Keith Spivey

Date: 3/22/06