

KNIK ARM BRIDGE AND TOLL AUTHORITY
REGULAR BOARD of DIRECTORS
MEETING MINUTES #5-09

Regular Board of Directors' Meeting, October 8, 2009 at the State Office (Atwood) Building, Conference Room 1860, Anchorage, Alaska.

The meeting was duly noticed on September 29, 2009 in the Public Notices sections of the "Frontiersman" and the "Anchorage Daily News," and listed on the KABATA Web site and on the State Online Public Notice system.

The meeting progressed in accordance with the previously established and published agenda.

Chairman Michael Foster called the meeting to order at 1:31 pm.

1. Roll Call

A quorum was established with four voting directors in attendance:
Michael Foster, Dave Haugen, Jerry Burnett (via telephone), and Janet Kincaid.

Also present were: KABATA Board Members, Representative Mark Neuman, and Jody Simpson for Senator Charlie Huggins (via telephone); KABATA Staff Members, Executive Director Andrew Niemiec and CFO Kevin Hemenway; DED Dale Paulson, 106 Liaison Edrie Vinson, Project Counsels William Greene and Jim Cantor.

Recorder: Amanda True, KABATA Administrative Assistant.

There were 4 members of the public in attendance.

2. Approval of Agenda

The Agenda is approved with additions of an Audit Committee report between item 6 and 7, and a discussion of an operating budget process and a resolution under item 9. There was a

Action #116-5-09

MOTION by Janet Kincaid, second by Dave Haugen to approve the Agenda as changed.

Agenda approved by unanimous vote

3. Approval of Minutes from Meeting #4-09

There was a

Action #117-5-09

MOTION by Janet Kincaid, second by Dave Haugen, to approve Minutes as submitted.

Approved unanimously

4. Chairman's Report

Foster recapped on the Houston vs. AMATS lawsuit. He had Jim Cantor go into more details; a settlement was reached where the members of the AMATS Policy Committee agreed to rescind their prior action to move the Knik Arm Crossing (KAC) Project from the short term list to the long term list within the AMATS Long Range Transportation Plan (LRTP). The AMATS Policy Committee had a meeting and voted to make changes to a previously passed amendment. The changes were to delete the reference to rail and pedestrian access. AMATS then voted to put the amendment back on the street following the public participation plan to again move the KAC Project from the short term list to the long term list within the AMATS LRTP.

Foster continued stating that Governor Parnell's office issued a statement that the Governor supported completing the Environmental Process and moving ahead to obtain a Record of Decision. He went on to report that the Fairbanks Chamber of Commerce Meeting presentation was very well received, and had a lot of good discussion. While there he met with former Fairbanks North Star Borough Mayor Jim Whittaker and discussed the importance of the project to the state.

He added the Section 106 MOU's were sent out and signed. Mary Ann Pease is working on setting up meetings with different Community Councils to give an update on the crossing and to get them more informed of where we are at and where we are going. Janet Kincaid is assisting with Matanuska-Susitna Borough Council Meetings.

Foster brought up next year's board meetings. He proposed to have one meeting in Fairbanks, one meeting in Kenai, one meeting in Wasilla, one meeting in Juneau, one meeting in Anchorage with the Annual also here in Anchorage. Foster continued, "I think it would be beneficial on a statewide effort to keep all of the communities informed on this significant statewide project." Foster asked Jim Cantor the rules on setting Board meetings, Cantor explained according to the bylaws, the Board may designate the place of the meetings and a Board action is needed. Foster proposes to send via email a draft schedule and at the Annual Board meeting a decision will be made on where next year's meetings will be held. Representative Neuman asked about travel expenses to the meetings, Kevin Hemenway explained KABATA has been covering reasonable transportation expenses and lodging for Board Meetings outside the immediate area. An expense report will need to be filled out or KABATA can make the arrangements and handle costs directly. Foster directed to include travel information with the proposed 2010 board Meeting schedule so the Board is informed before a decision is made at the Annual meeting.

Foster talked about a planned site visit on Knik Arm, KABATA has taken the lead on from Senator Menards Office, and has it tentatively scheduled in the morning of October 20th. There is a limit of twelve invites that can attend the boat tour component of this event.

Representative Neuman raised some questions on the amendment to move the KABATA plan on to the long term transportation plan for AMATS, whose amendment was that? Secondly are there any other red flags that have come up, any other indicators that maybe look like there can be postponements, delays or oppositions to this project? Foster mentioned the amendment was proposed by Assemblyman Patrick Flynn and the amendment was to move the project from the short term to the long term with a few changes from the previous amendment. Other issues will be touched on by Executive Director Niemiec in his report.

5. Executive Director's Report

Niemiec began with introducing Edrie Vinson our new Section 106 environmental Liaison officer. Edrie is responsible to fulfill KABATA's responsibilities under the Section 106 Historic preservation Programmatic Agreement that we have in place. In addition to that, she is very experienced in the NEPA process and will help us as we go forward to get the Record of Decision and other permitting. Niemiec continued that interviews have been completed for Betty's position, but that we are holding off on the hiring until additional obligated funding has been made available.

Niemiec continued with the recent Mat-Su elections. Mayor Colberg was re-elected and there were some changes to the Assembly.

Niemiec shared his recent visit to the Columbia River Crossing Project. The states of Washington and Oregon are replacing the interstate 5 bridges across the Columbia River. That was a very good meeting. They are in the middle of the NEPA process and are trying to complete an EIS. They also have endangered species so they are working under the ESA. So there are a lot of similarities as well as differences of two states, two cities, multiple Governments and interest groups. But we do have some challenges in common, not just from the NEPA side, but also politically.

Niemiec went on about a visit from Highland Technical High School on September 28th. KABATA made a presentation to about 30 students. They were very engaged and asked a lot of good questions. They are in the middle of working on a class project that has to do with the Kink Arm Bridge. They are taking a section of it and doing a design, we are looking forward to see how that turns out.

Niemiec mentioned the Mat-Su Transportation Fair tonight. KABATA will be there with a booth and we will have representatives from our consultants there.

Niemiec brought to attention a Travel Report has been provided to the Board and that Kevin will recap on the Audit Committee Meeting that met prior to the Board Meeting. Niemiec continued to talk about our budget process as we go forward and develop that. KABATA has a request in for additional Federal Funds that are set aside for this project, that process has been delayed but we do expect that process to be completed and that will take us through the next fiscal year.

6. Legislative Reports

Representative Neuman mentioned work on the instate pipelines and the importance it has to KABATA. He talked about the September 15 meeting with Harry Noah, and the importance of an instate gas pipeline to KABATA. Representative Neuman said Harry Noah and his team were very excited about the prospect of exports using the Knik Arm Bridge. They have been working with other groups including the military on gas to liquid type processing plants how they could be over there and that is important for KABATA because it shows movement of industrial type development over there. He went on to remind us the Correction's Institution going up over there, which will be several hundred jobs and the need to get transportation back and forth that's going to be more and more critical. This shows more need of a Knik Arm Bridge.

August 13, 2009

Representative Neuman went on to talk about last year's deficit the Legislature faced coming from the administration that was whittled down significantly. Representative Neuman is concerned with Alaska economic future and the decline in oil production. He stated "again the importance for economic development, economic diversity, using our resources wisely for those opportunities in development in the state are critical to the state, and general fund revenues to make sure we can fund projects is very critical. It is a financial reality that we're looking at with declining revenues of the state and need opportunities for the state to still make investments while we can." Foster asked about a projected timeline, Representative Neuman answered that right now the timeline projections in an Alaska stand alone pipeline is more ASAP. By next September, the state hopes to have most of the permitting done, by next December hopefully have operator and builder for a pipeline and the state wants to try and recover some of the costs and expenses for getting those permits but have everything in a nice little package to hand off to a builder and operator of the pipeline. Three years for construction and delivery by 2015. Foster added that the 2015 date would tie in nicely to our projected 2012 construction window. Neuman went on to add that is something to look at too as it may adversely affect those types of costs because when there are several construction components that have operations going on like that it tend to increase costs because there is limited labor, a good thing to recognize is if KABATA can start nailing in contracts now and contractors and start getting requests out the sooner that gets done the better off KABATA will be to get those number locked in.

Kincaid added the prison requires all the wholesalers for food and other supplies are in Anchorage and so this is yet another reason to have the bridge, to supply the prison will come out of Anchorage and that will make it cheaper with transportation costs.

Representative Neuman went on to add the Environmental report is going to be completed on surface transportation board on a rail spur to Port MacKenzie and the preliminary report has been done and by December the full report should be done and possibly a route selection will be announced shortly.

7. Audit Report

Kevin Hemenway reported the Audit Committee met to go over KABATA's annual audit. The Committee went over the draft audited financial statements. We have a clean opinion that our financial statements are fairly stated in all material respects and accurately reflect the financial condition and results of operations of the Authority over the last year. As soon as the draft financial statements are finalized, a copy will be distributed to the full board. They are official financial statements and they become a component of our comprehensive annual financial report. The auditors also indicated they had good cooperation from the Authority and things were in good shape. We went over the draft fiscal year 2009 comprehensive annual financial report that includes the audited financial statements and other information about the authority. That is the report that we are required by Statues to deliver to the legislature in January of each year on the second day of the session. That will be put into a nice format, completed and available in a draft form by the time of the annual meeting for the Boards review and comment. The fourth item we went over was the fiscal year 2010 expenditures to date. A treasure's report was provided showing expenditures year to date. Also mentioned was the request for 5.9 million in federal obligation authority expected to be processed in the next couple of days. That will be funding this fiscal year as well as the full requirements under the section 106 agreements are in place that were signed by FHWA.

KABATA will be applying for the Government finance officer's association certificate for excellence in financial reporting. We have received that award each of the last three years that we have applied for it and I expect we will get it again this year. That concludes the Audit Committee report.

Foster added that 1.2 million is directly related to the 106 consultations. There was further discussion on the appropriated funds. Foster stated Governor Parnell approved the 5.9 million for us to continue with the environmental process. Then we are to also develop a financial plan for the administration to look at.

8. Old Business: None

9. New Business: None

10. Other Matters to Properly Come Before the Board

Niemiec talked about budget issues asking for concurrence from the board to continue discussions to with the Administration to establish a general fund operating budget for core operations.

Kevin Hemenway clarified this funding request would be for the 2011 fiscal year budget, but that process is starting now.

Kincaid asked if we use more of the state funds, does that give the state more say on how the money gets spent.

Barnett stated the budget is decided by OMB and then the Legislature, so at this point it is KABATA Staff trying to convince DOT and OMB to include the money in the budget submission to the Legislature, it has nothing to do with future operations, but it is important to get it into the budget.

Representative Neuman added it is easier to keep funds for KABATA in the budget if it comes through the Administration's budget than it is to add money later.

There was a

Action #118-5-09

MOTION made by Janet Kincaid, second by Dave Haugen, for KABATA Staff to develop a budget that we request the Administration put in with their budget that will be presented to the Legislature. Foster asked for discussion.

Approved unanimously

Foster asked Niemiec to introduce a Resolution for consideration titled Knik Arm Bridge and Toll Authority Board of Directors Resolution #04-09. A draft of

Resolution #4-09 was provided to the board for review. There was a

Action #119-5-09

MOTION was made by Kincaid, second by Haugen to approve resolution #4-09. Kincaid requested to make an amendment, seconded by Burnett to Resolution #4-09, paragraph 4, to delete the phrase “save for the misguided attempt to delay the Knik Arm Crossing” and then begin with “any plan amendments, “ and strike however.

Foster asked for discussion.

Representative Neuman recommended the title be changed to reflect what the resolution is about.

Foster confirmed to title the resolution along the lines of Support keeping the Knik Arm Crossing in the short term portion of the Long Range Transportation Plan.

Action #120-5-09

Foster called for a vote to add the amendments made to original Motion.

Motion for amendments to original motion passed unanimously.

Action #121-5-09

Foster then called for a vote on the main motion for the resolution as amended.

Motion for Resolution #04-09 as amended passed unanimously.

11. Board Members' Remarks

Kincaid informed the Board she will be out in London, England during the November 12th Annual Board Meeting and asked to be excused from participating in that meeting. She continued with comments on the Mat-Su election results and has requested meetings with the newly elected Assembly Members to talk about Knik Arm Crossing Project.

Representative Neuman commented on the fliers and information going out and on expanding outreach programs. He asked about the timeline on the Knik Arm Crossing flier if the time line is accurate.

Foster briefly spoke on the time line and mentioned it has shifted about a year and that we will get that corrected. He went on to talk about the outreach being done by Mary Ann Pease and KABATA.

Niemiec mentions KABATA is trying to resurrect a “group of principals” Getting community leaders more involved in the project. We would like to get more participation from local Government both the Municipality of Anchorage and Mat-Su Borough Communities.

Neuman asked if the Board can get a report at the next meeting on the status of the two P3 firms interested in the construction on the Knik Arm Crossing and their position today.

Foster will have an update put on the agenda for the Annual Board Meeting.

12. Public Comments: None

13. Announcements

Foster stated we will circulate the Community Council Meetings to the Board for any who would like to attend.

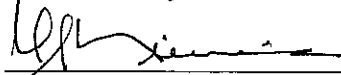
Kevin Hemenway brought up some important dates coming up; The State Transportation improvement Plan is out for public review and comment, we are included in that plan; the comment period ends October 16th. The AMATS Process comments period closes on October 23rd.

Foster commented on the Highway to Highway fact sheet that was handed out at the October 1, 2009 Tudor Community Council Meeting. Item #5 on the fact sheet states "Construction of the Knik Arm Crossing would not solve the transportation problems the H2H Project is addressing" Foster was under the impression the H2H and the Knik Arm Crossing would complement each other, so a letter will be sent to DOT asking for clarification on how the two projects don't work together. The next Board Meeting is scheduled for November 12, 2009 at 1:30p in the State Office (Atwood) Building, Conference Room 1860. It is our Annual Meeting.

14. Meeting Adjourned at 2:55pm

Minutes Approved: Unanimous Board Approval at November 12, 2009 Board Meeting.

Attested to by:



Andrew J. Niemiec, Executive Director

Date: 11-12-09