

KNIK ARM BRIDGE AND TOLL AUTHORITY
BOARD of DIRECTORS
MEETING MINUTES #1-08

Board of Directors' Meeting, February 13, 2008 at the Goldbelt Hotel, First Floor Conference Room, Juneau, Alaska.

The meeting was duly noticed on February 5, 2008 in the legal section of the "Frontiersman," in the "Anchorage Daily News" and on February 4, 2008, in the "Juneau Empire" as public meeting notices, and also listed on the KABATA website and on the State Online Public Notice system.

Chairman George Wuerch called the meeting to order at 1:30pm.

1. Roll Call by Chairman Wuerch

A quorum was established with five voting directors in attendance:

George Wuerch, Darcie Salmon, Gordon Keith, Dave Haugen, and Brian Andrews.

Also present were KABATA Board Member Senator Charlie Huggins and his staff member Jody Simpson; KABATA Staff Members Executive Director Andrew Niemiec, Deputy Executive Director Dale Paulson, CFO Kevin Hemenway; also Project Counsels Chief Assistant Attorney General Jim Cantor and William Greene.

Recorder: Betty Fauber, KABATA Administrative Director

There were 3 members of the public in attendance.

2. Approval of Agenda

Agenda was unanimously approved as presented.

3. Approval of Minutes from Meeting #7-07

Niemiec stated he had a correction to Old Business, Item 7c that needs to be reflected in the Minutes. He said the Risk Analysis will not be presented to the board for approval. Therefore, the second paragraph of the Minutes should read: Niemiec stated that the draft Risk Analysis continues to be updated and executive-level concurrence from the FHWA and the Departments of Revenue and Transportation are being sought. An updated schedule will be available next week.

With correction noted, there was a

Action #100-1-08

MOTION by Haugen, second by Salmon, to approve Minutes as amended.

Approved by unanimous vote.

4. Chairman's Report

Wuerch provided board members with copies of the drafts of House Bill No. 365 and Senate Bill No. 268 and a joint press release from Alaska Transportation Priorities Project and Alaska Public Interest Research Group.

He reported that Haugen and Niemiec had attended a P3 US Summit: a seminar and conference were held in WDC, Feb. 4-6, 2008. Haugen gave a brief report on the Summit stating that details of the P3 issues discussed are included in the advanced copy of the National Surface Transportation Policy and Revenue Study Commission's report *Transportation for Tomorrow*; a copy will be available at the KABATA Office.

5. Executive Director's Report

Niemiec summarized activities that took place since the last board meeting including finalization of the FEIS, continuation of work with FHWA on the ROD, and getting documents to be included in the P3 Request for Proposals ready for discussions at the interagency meeting held earlier today.

He reported that Wuerch and he delivered 2007 Annual Reports to Legislators in Juneau, January 16-18, 2008, which was also an opportunity to provide an update and answer questions.

6. Legislative Report

Wuerch stated that since Senator Huggins and Representative Stoltze were not able to attend, reports were not available.

7. Old Business

a. Treasurer's Report

Using the Financial/Budget Update included in packet, Hemenway reported that through January 31, 2008 the project is operating within budget. He reported that \$5.7 million in additional funding recently authorized by FHWA does not increase the FY08 KABATA budget. Wuerch asked what caused the \$2 million spike in May/June; Hemenway said that was originally budgeted timeframe for payments of the stipend but since the P3 procurement was delayed payment was unlikely to occur in FY08.

b. Clarification of Funding Sources for FY08 Budget

Referring to the Budget and Funding Summary included in the packet, Wuerch asked Niemiec for clarification about the \$5.7 million additional funding. Niemiec stated that these were federal funds obligated to the project in December that have not been approved by the board to expend and does not change approved budget. Hemenway said these federal-aid funds will be used within the budget versus state funds.

Anticipating the ROD, Niemiec said that a request may need to be brought before the board for approval for a budget increase of \$11.3 million of obligated federal funds to initiate permitting, utility work, and ROW acquisition.

c. Items Due From Mtg #7-07

Reports on these outstanding items were given.

- Risk Analysis Schedule: Niemiec stated the Risk Analysis was completed using internal deliberations.
- Director's Project Information Notebooks: Paulson distributed updates to the notebooks.
- Rep. Stoltze's One-Pager: Paulson said a Public Process Summary was included in the notebook updates under the new Public Process tab. Wuerch asked Niemiec for either him or Paulson to follow-up with Rep. Stoltze to be sure it's what he wanted.
- Appointments of Board Secretary and Treasurer: Niemiec stated that he had no intention to make appointments at this time; he will deal with this once staff is restructured. Wuerch asked Niemiec to give future reports; he agreed.

d. Public Outreach/Press Release Activity

Paulson reviewed activities since the last board meeting using the Final EIS Public Process Update included under the new Public Process tab of the board's Project Information notebook.

Haugen asked about the four comments on the Final EIS that were received as indicated in the update; Paulson said we should get more. Wuerch asked Paulson if comments were going to DOT and FHWA; Paulson will check to be sure they are being forwarded.

e. Accounting System Acquisition

Hemenway reported that he has received three required quotes, all under \$15,000. He is coordinating with State of Alaska Informational Technology (IT), Legislative Audit, and the Departments of Transportation and Revenue and has consulted with KPMG (KABATA contractor) to assure system fulfills requirements and is acceptable under rules. Acquisition should take place in next two weeks; current KABATA server will support software.

Wuerch asked if additional staff is needed to handle system; Hemenway said may need to look at the vacant budgeted position at some point.

8. New Business

a. Quarterly Travel Report

Niemiec summarized the Board & Staff Travel Reports for the third and fourth quarters of 2007, which were included in packet.

b. Regulatory Activities Status

Paulson provided each member with a FEIS Summary stating that all important additions to the DEIS text were highlighted and underlined. He said the FHWA has recommended the Erickson Street Alternative.

He reported that FHWA Administrator Dave Miller said that that progress is being made on the Record of Decision (ROD). Haugen asked Miller about the time schedule of the ROD; Miller stated that the key is completion of the Section 106 process. Paulson reported that FHWA is working with State Historic Preservation Office in the Department of Natural Resources and that FHWA's David Miller advised that they have developed a process to resolve the Sec. 106 issue.

Paulson reported that ROW and Military Easement are complicated because process involves Military, FHWA, DOT and BLM. Wuerch asked if they would be federal agency-to-federal agency agreements; Paulson said that has not yet been determined.

Paulson said an easement rather than a lease would be used since the land will be used for transportation. Wuerch asked if easements could be approved at theater-level to expedite process; Greene stated that has occurred in other instances. Paulson said the military ROW process, which would occur after the ROD, could take two years. Niemiec said right of entry was expected for survey and geo-tech work.

c. House Transportation Committee Hearing

Niemiec reported that answers to questions raised at the January 17, 2008 committee hearing have not yet been received; he will follow-up.

d. Chief of Staff and Department Reviews of P3 RFP

Niemiec reported on a meeting held this morning (Feb. 13, 2008) with executive-level personnel from the Departments of Transportation, Law, Revenue, and Administration regarding the P3 RFP; fundamental concerns centering on potential risks and obligations. He said more work needs to be done to reach concurrence.

e. P3 RFP Release Strategies

Wuerch requested that the board go into an Executive Session related to this matter. Since the Executive Session may take an hour, he asked if the board had any objections to moving to Agenda Item 10 (Public Comments) so any public comments could be heard beforehand: there were no objections.

9. Public Comments

There were no public comments.

Executive Session

Salmon made a

Action #101-1-08

MOTION stating that prior to making any decisions regarding the current P3 procurement process and Request for Proposals and for the purpose of considering and deliberating on internal communications, analyses, investigations, studies and recommendations regarding the same, that the Board of Directors go into executive session to consider and deliberate on the essential terms and conditions of a draft request for proposals, its financial terms, benefits, obligations and risks, the bases thereof, the status of the current procurement process and relevant internal deliberative

communications, analyses, investigations, studies and recommendations as well as KABATA's finances and matters auxiliary to the questions deliberated, all of which are matters the immediate knowledge of which would have an adverse effect upon the finances of KABATA or matters which by law are required to be confidential, and for the additional purpose of giving directions to KABATA attorneys regarding the terms of KABATA's request for proposals and future actions regarding KABATA's P3 procurement process, financial status and operations; second by Haugen.

The Board went into Executive Session at 2:20pm.

The Board returned to Open Session at 5:05pm.

Wuerch thanked the board and staff for their input during the Executive Session stating that the information discussed and the documents used during the session will remain confidential and that the tape recording of the session is to be sealed indefinitely unless directed by the board at a future date.

10. Board Members' Remarks

Wuerch asked Haugen and Andrews if they would review KABATA staff salaries to determine if compensation adjustments were needed in FY09: they agreed.

Salmon said he was looking forward to the next regular board meeting. He will be representing the Mat-Su at the National Association of Resource Conservation and Development Council's Annual Meeting in Washington, DC, Feb. 23-March 8, 2008.

Keith thanked the board and staff for the frank and spirited discussion.

Haugen stated for the project to move forward it will require hard work and encouraged staff to do their best work.

Jody Simpson thanked the board for the opportunity to sit-in stating that she will brief Senator Huggins and Representative Stoltze.

11. Announcements

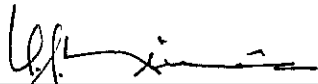
Wuerch announced that the next regular Board meeting be held on April 24, 2008 in Anchorage; Board Members and the public will be notified of the details.

Wuerch called a Special Board Meeting to be held in Anchorage on either February 27 or 28 to discuss the two proposed bills and other financial matters. Board Members will be contacted to check their availability and the Board and the public will then be notified of the details.

Haugen invited attendees a reception hosted by ATA, Alaska Miners and Alaska General Contractors, today at 5:30p at the Baranof.

12. Adjournment: 5:15pm.

Minutes Approved: Unanimous Board approval at April 24, 2008 Board Meeting.

Attest: 
Andrew J. Niemiec, Executive Director

Date: 4-24-08