

KNIK ARM BRIDGE AND TOLL AUTHORITY
SPECIAL BOARD of DIRECTORS MEETING
MEETING MINUTES #2-08

Board of Directors' Meeting, February 27, 2008 at the Atwood Building, Conference Room 1860, Anchorage, Alaska.

The meeting was duly noticed on February 19, 2008 in the legal section of the "Anchorage Daily News" and on February 22, 2008, in the "Frontiersman" as public meeting notices, and posted on the KABATA Web site 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 three voting directors in attendance:
George Wuerch, Gordon Keith, and Dave Haugen.

Via telephone, representing KABATA Board Member Senator Charlie Huggins was his staff member Jody Simpson.

Also present were KABATA Staff Members Executive Director Andrew Niemiec, Deputy Executive Director Dale Paulson, Deputy Executive Director Darryl Jordan, CFO Kevin Hemenway, and Chief Engineer Verne Geidl; also Project Counsels Chief Assistant Attorney General Jim Cantor, Jeff Stark, and William Greene.

Also via telephone were the Governor's Special Staff Assistant Randy Ruaro and FHWA/Juneau Senior Transportation Engineer Alex Viteri.

Recorder: Betty Fauber, KABATA Administrative Director

There were 7 members of the public in attendance.

2. Approval of Agenda

Agenda was unanimously approved as presented.

3. Chairman's Report

Wuerch stated that P3Americas News' February 25, 2008 article reported on KABATA's TIFIA credit assistance application saying the process is expected to be complete by the first week in March. The article also said that KABATA was only the second initiative to use the SEP-15 program to expedite the provision.

Wuerch deferred to Haugen who reported on a February 23, 2008 Wall Street Journal editorial opinion titled *Toll and Spend*, which was about the New Jersey' financial problem and how they used tolls in a creative way to pay off old debt.

4. Executive Director's Report

Niemiec gave an update on activities that took place since the last board meeting. He reported on a meeting with Col. Wilson, U.S. Army Corps of Engineers regarding future permitting. He stated that the P3 procurement documents are now in final draft form but they had not passed the board yet. Niemiec reported that FEIS comments are being worked on with FHWA and that meetings were held with the Port of Anchorage and the Mat-Su Borough on ROW activities.

5. Legislative Report

Wuerch stated that there are two identical bills pending, Senate Bill No. 268 and House Bill No. 365, which would amend AS 19.75.11. KABATA's enabling legislation. He has been told by Senator Huggins' office that the Senate and House referred their bills to their respective Transportation and Finance Committees. Wuerch asked Simpson if there had been any hearings scheduled; Simpson said no. She is watching calendars and will advise KABATA if hearings are scheduled.

6. P3 RFP Release Strategies

Wuerch requested that the board go into an Executive Session related to this agenda item. Since the Executive Session may take an hour, he asked if the board had any objections to moving to Agenda Item 8 (Public Comments) so any public comments could be heard beforehand: there were no objections.

7. Public Comments

DiPietro asked to know the need to go into Executive Session; Wuerch asked Haugen to read the motion after which he was asked if that included discussion about pending legislation; Wuerch said yes, to analyze meaning.

Massey from Trustees for Alaska registered his concern about the lack of transparency of Executive Sessions.

Ruaro asked if Executive Session excluded Departments of Revenue, Transportation and Administration. Wuerch said no that those departments are always included as they are represented on the board, adding that the board can invite others to attend and does so on occasion.

Executive Session

Haugen made a

Action #102-2-08

MOTION For the purpose of receiving deliberatively considering information and action proposals regarding the current P3 procurement process and the draft Request for Proposals and release strategies as well as relevant legislative initiatives and for the purpose of considering and deliberating on internal and external communications, analyses, investigations, studies and recommendations regarding the same, I move that the Board of Directors go into executive session to consider and deliberate the foregoing including the draft RFP financial terms, benefits, obligations and risks, the status of the current procurement process and relevant 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 draft request for proposals and future actions regarding KABATA's P3 procurement process, financial status and operations; second by Keith.

The vote to go into Executive Session passed: Keith, Haugen and Wuerch concurred unanimously.

The Board went into Executive Session at 1:55pm.

The Board returned to Open Session at 3:52pm.

Wuerch stated that Executive Session was important so the board could review with the staff the details of their recommendation on the P3 RFP to assure it is in the best interest of Alaska. The board needs to develop an understanding of procurement process and formally approve the RFP. Also, the executive session was necessary to analyze and form a response to pending legislation and determine affect on P3 potential investors and the impact of state's financial health. He stated that no conclusions were reached and more homework needs to be done.

He stated 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.

8. Other Business to Come Before the Board
Wuerch received no response to his query.
9. Prior to adjourning, Wuerch stated that the board continues to be available, on-call to deal with development of the Knik Arm Crossing and any other matters KABATA's Executive Director considers urgent. The meeting was adjourned at 3:56pm.

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

Attest:  Date: 4-24-08
Andrew J. Niemiec, Executive Director