

**KNIK ARM BRIDGE AND TOLL AUTHORITY**  
**BOARD of DIRECTORS**  
**MEETING MINUTES #1-07**

Board of Directors' Meeting, February 13, 2007 at the Goldbelt Hotel's Admiralty Room, Juneau, Alaska.

The meeting was duly noticed on February 5, 2007 in the legal section of the "Anchorage Daily News" and the "Juneau Empire" and in the "Frontiersman" on February 6, 2007 as public meeting notices, and also listed on the KABATA website and on the State Online Public Notice system.

The meeting progressed in accordance with the previously established and published agenda, which is attached and part of these minutes with these exceptions to accommodate members' schedules: Agenda Item #7b was addressed after Item #6d and Agenda Item #6f was combined with Item #7f. For the purpose of these Minutes the items will be reported in the order of the original Agenda.

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

1. Roll Call by Chairman Wuerch

A quorum was established with all voting directors in attendance:

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

Also present: Board Members Senator Charlie Huggins and Commissioner Leo von Scheben; FHWA Program Manager John Lohrey, KABATA Staff Members Executive Director Henry Springer, Deputy Executive Directors Darryl Jordan and 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 8 members of the public in attendance.

2. Approval of Agenda

Wuerch requested that Agenda Item # 6a be combined with Agenda Item # 7c.

Action #86-1-07

MOTION by Haugen, second by Salmon, to combine items.

Approved by unanimous vote.

3. Approval of Minutes from Annual Meeting #5-06

With no additions or corrections noted, there was a

Action #87-1-07

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

Approved by unanimous vote.

4. Chairman's Report

Wuerch stated that the SOQs for a P3 agreement are due on March 13. He recommended the next board meeting be held on Friday, March 23, which allows 10 days for the evaluation team to determine the shortlist of responders. At that meeting, he requested that the staff present the framework for the ensuing RFP.

5. Executive Director's Report

Springer reported on the basic progress made since the last meeting, which would be expanded upon in detail under specific agenda items. He gave an overview of the work plan for the next three months, which includes the selection process for the RFQ/SOQ for a P3 partner, receiving the FEIS and ROD, the decision on the Cook Inlet Beluga whales, and the AMATS procedures.

Also to be handled are the rewrite of the ADOT&PF/FHWA oversight agreement, the establishment of a cash flow system for P3 funds, and complex programs such as risk management, insurance, technical aspects of design-build concepts and public education about the project. Due to these upcoming challenging undertakings he stated will be a necessity for additional professional services contracts.

He stated that research is underway on anti-icing, test piles, historic properties and parklands, archeology, native village fish site negotiation, and the outstanding issues with ACE on sedimentation, velocity, scour that also relate to permitting. To handle these internally, the staffing level will need to be increased by three; two project managers and a liaison.

Springer stated there will be a staff retreat on March 6-7 to go over details of the issues and plan accordingly to resolve issues, especially those to be faced after the NEPA process is completed. Prior to entering this new phase, he said, the best help is needed to understand functions of rules and also a clear policy from the board of managerial criteria needs to be in place.

He informed the board about the letter of support received from Governor Palin regarding the P3 funding and the letter of appreciation for outstanding performance received by Dale Paulson.

6. Old Business

a. Cost Report

Using a PowerPoint, Hemenway reviewed the "Forecast Expenditures and Available Funding Authorization," which he said would be monitored carefully.

b. DEIS Status Report

Paulson stated that most questions in the DEIS have been addressed and that it should be ready to go to Legal Sufficiency next week and that the oversight agreement is currently being reviewed by FHWA. Lohrey stated that the FEIS should be released mid-March 2007.

c. Beluga Update

Springer reported that NMFS has not yet made a formal declaration to determine if the Cook Inlet Beluga Whales should be reclassified under the Endangered Species Act. Currently in-water work and incidental take permits are on hold. The ESA decision will have future financial and work delay impacts on the project. He will keep board informed.

d. Status of Coordination with Ports

Springer reported that due to the proximity of the Ports of Anchorage and MacKenzie to the project, a cooperative effort is being made with respective Port Directors Sheffield and Van Dongen to negotiate issues directly related to the Ports: on the eastside tidelands, gravel, security/retaining wall and ROW, on the westside pile driving and test piles, Port MacKenzie Road on the west side. All are within the procurement rules of the state. Significant Alaska Corps of Engineers concerns regarding siltation also need to be resolved. He reported that the Cook Inlet Ferry is being built and facilities are in negotiations.

e. Corps of Engineers Issues

Springer reported that KABATA contractors are working and negotiating with ACE on challenging issues such as evaluation and studies for wetlands, construction permits, and marine environmental work. When a P3 partner is selected a joint approach to permitting will be developed.

f. By-Laws Revisions

**Resolution #1-07** was introduced by Springer approving and adopting revised Bylaws; Salmon asked Greene to give an overview after which a

**Resolution #1-07**

MOTION was made by Salmon, second by Haugen to open discussion; a revision to Article III, Section 7 was made replacing the specific amount of a stipend with an amount as prescribed by statutes; in Article IV, Section 2 a revision was made to replace a specific day for a regular board meeting to read at such time as directed by the board; in Article IV, Section 6, Item 2, Wuerch asked Greene to rewrite for more clarity; and in Article IV, Section 11, the order of Items 9 and Item 10 were changed. There was a

MOTION made by Salmon, second by Haugen to approve with revisions.

Approved by unanimous vote.

7. New Business

a. Appoint Audit Committee Chairman

Wuerch asked Deputy Commissioner of revenue Brian Andrews if he would accept the appointment for the position of Audit Committee Chairman; he agreed.

Action #88-1-07

MOTION by Salmon, second by Haugen to appoint.

Approved by unanimous vote.

Wuerch stated that Susan Taylor will continue to be an Audit Committee member.

b. Pre-SOQ Workshops and P3 Status

Jordan gave an abbreviated presentation about P3 activities indicating that the complete PowerPoint including voice-over was on the KABATA web site and more detailed data is available if wanted. Von Scheben inquired about the length of the revenue stream; Jordan responded it was the 55 year State law maximum with an anticipated pay back of capital at 30-35 years. Wuerch stated that negotiations will take place when the P3 partner is selected.

c. FY08 Budget Update

Springer stated that the budget is in place and should be sufficient unless there are delays and/or lawsuits. \$7 million in State funds have been approved. Wuerch asked Springer if the base case included the addition of two staff and two consultants; Springer stated it included three staff positions; he projected a FY08 budget of \$1.5 million. Cash flow is a concern and operational funding has to be addressed during P3 negotiations.

d. Workplan Priorities

Springer stated priority items being worked on are the FEIS, the Beluga whale issue, and P3 agreement.

e. Home Page Developments

Fauber advised that the KABATA web site is being updated regularly to include technical reports referred to in the DEIS, 2006 Annual Report and CAFR, and most recently the PowerPoint Presentation with audio of the Pre-SOQ Workshop and several "fly-overs" of the project area.

f. Board Actions and Resolutions

**Resolution #2-07** was introduced by Springer authorizing notice, publication and procedures to adopt proposed regulations and further authorizing the revision of internal operating policies and procedures. He solicited questions, after hearing none, a

Resolution #2-07

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

Approved by unanimous vote.

**Resolution #3-07** was introduced by Springer authorizing contracts for the services of expert financing, engineering, technical, insurance and other consultants

Resolution #3-07

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

Approved by unanimous vote.

**Resolution #4-07** was introduced by Springer establishing authority and procedures for travel. A

Resolution #4-07

MOTION was made by Haugen, second by Salmon to open discussion; after amending the wording to add that the Chairman or his designee shall approve the travel of the Executive Director, the resolution was

Approved as amended by unanimous vote.

**Resolution #5-07** was introduced by Springer authorizing expenditures and reimbursement for specialized software programs and equipment. There was a

Resolution #5-07

MOTION was made by Haugen, second by Salmon to open discussion.

Wuerch asked to add *subject to prior approval by the Executive Director*. After discussion, the resolution was

Approved as amended by unanimous vote.

**Resolution #6-07** was introduced by Springer for delegation of authority be requested from the ADOT& PF Commissioner to re-designate the KABATA Executive Director, Henry Springer, as contact person for and contract manager of the project and delegate to him the authority of the Commissioner of ADOT&PF all matters relating to operations, procurement, financing, design, construction, operation and maintenance of the project and the management, supervision and control of employees, business affairs and property.

Resolution #6-07

MOTION was made by Salmon, second by Haugen to approve as written.

Approved by unanimous vote.

**Resolution #7-07** was introduced by Springer authorizing negotiations with the Port of Anchorage for Right-of-Way use. A

Resolution #7-07

MOTION was made by Salmon, second by Haugen to approve as written.

Approved by unanimous vote.

**Resolution #8-07** was introduced by Springer authorizing and directing the establishment of a Public Relations and Education Program. A

Resolution #8-07

MOTION was made by Haugen, second by Salmon to open discussion.

Wuerch stated that due the complexity policy oversight was needed. The Board designated Vice Chairman Salmon to act on the Board's behalf to reach an agreement with the Executive Director on the Public Relations and Education Program.

After discussion, it was

Approved by unanimous vote.

**Resolution #9-07** was introduced by Springer authorizing the hire of two project managers. A

Resolution #9-07

MOTION was made by Salmon, second by Haugen to open discussion. For clarification, Wuerch asked that wording be revised to say *initial* salaries. After discussion, the resolution was

Approved as amended by unanimous vote.

**Resolution #10-07** was introduced by Springer to acquire authorization for use of Federal-Aid funding. A

Resolution #10-07

MOTION was made by Haugen, second by Salmon to open discussion, after which the resolution was

Approved by unanimous vote.

**Resolution #11-07** was introduced by Springer authorizing the use of Federal-Aid funds for reconnaissance study of a future connection to Inga/Gambell. A

Resolution #11-07

MOTION was made by Salmon, second by Haugen to open discussion, after which the resolution was

Approved by unanimous vote.

**Resolution #12-07** was introduced by Springer authorizing negotiations and execution of a project oversight agreement with the Federal Highway Administration. A

Resolution #12-07

MOTION was made by Salmon, second by Haugen to open discussion, after which the resolution was

Approved by unanimous vote.

**Resolution #13-07** was introduced by Springer authorizing application for TIFIA financial assistance. A

Resolution #13-07

MOTION was made by Salmon, second by Haugen to open discussion. Wuerch asked for clarification about the TIFIA loan application; after explanation, the paragraph authorizing the Executive Director to submit an application to TIFIA was deleted. After discussion, a

Motion was made by Salmon, second by Haugen to approve and adopt as amended, after which the resolution was

Approved as amended by unanimous vote.

**Resolution #14-07** was introduced by Springer authorizing application for a private activity bond (PAB) allocation. A

Resolution #14-07

MOTION was made by Haugen, second by Salmon to open discussion, after which the resolution was

Approved by unanimous vote.

**Resolution #15-07** was introduced by Wuerch, who handed out a draft of an additional resolution expressing appreciation to Senator Lyda Green for her work on behalf of the project. Senator Green served on the board since its

establishment but since recently becoming Senate President her busy schedule will not allow her to continue to serve. After minor revisions to the resolution, a

Resolution #15-07

MOTION was made by Salmon, second by Haugen to approve; it was

Approved by unanimous vote.

8. Board Members' Remarks

Salmon stated that he was optimistic about the project moving forward. He stated that the upgrades to Point MacKenzie Road and the plans for the new prison will be assets helping bring infrastructure to that area. He stated appreciation for their work on the project to Commissioner von Scheben, Senator Huggins and Representative Stoltze.

Andrews stated that the P3 process is unique and that he is excited to be a part of the project.

Keith stated that AMATS will continue its process to amend the LRTP to add the project, which involves the MOA Assembly and Planning & Zoning Committee. He is hopeful the ROD schedule will be met.

Haugen stated his appreciation for the hard work that has been done to keep the project moving forward. He said the public relations and education program is needed to be clear and proper.

Wuerch thanked the Audit Committee for their work; a meeting is scheduled directly following the board meeting.

9. Public Comments

Comments from public attendees were heard. Mr. Dirk Craft, from Senator Lyda Green's Office, introduced himself stating he will update the Senator on the project's progress.

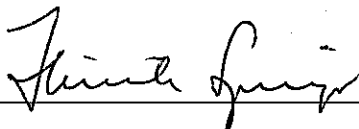
10. Announcements

Wuerch thanked the Board and Audit Committee members for their work. He announced that the next Board Meeting will be held in Anchorage suggesting the morning of Friday, March 23 or March 30, 2007. Board Members will be contacted to check their availability and then the public will be notified of the details.

11. Adjournment: 4:25pm.

Minutes Approved: Unanimous Board approval at March 23, 2007 Board Meeting.

Attest: \_\_\_\_\_



Date: \_\_\_\_\_

4/4/07