

KNIK ARM BRIDGE AND TOLL AUTHORITY
BOARD of DIRECTORS
MEETING MINUTES #1-05

Board of Directors' Meeting, March 23, 2005, Goldbelt Hotel, Admiralty Room, Juneau, AK.

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 March 15, 2005 in the legal section of both the "Anchorage Daily News," "The Frontiersman," and the "Juneau Empire" as public meeting notices.

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

The meeting was called to order at 1:00PM by Chairman George Wuerch.

1. Roll Call by Chair George Wuerch

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

Also present: Board Members Representative Bill Stoltze and Senator Lyda Green; Senator Charlie Huggins, Chair of Senate Transportation Committee; Deb Grundmann, Senator Huggins staff member; ADOT&PF Legislative Liaison John Manley; Dale Lewis, FHWA; KABATA Staff Members Executive Director Henry Springer, Deputy Executive Director/Program Manager Darryl Jordan, and Director of Environmental and Regulatory Affairs Dale Paulson.

Recorder: Betty Fauber, KABATA Administrative Manager

There were no members of the public in attendance.

2. Approval of Agenda

Agenda was approved as presented.

Action #54-01-05.

Approved by unanimous vote.

3. Approval of Minutes from Meeting #5-04 (December 15, 2004)

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

Action #55-1-05.

Approved by unanimous vote.

4. Chairman's Report

Wuerch announced the reappointments of Senator Lyda Green and Representative Stoltze to the KABATA Board of Directors. He introduced Dale Paulson who was hired on January 3, 2005 as KABATA's Director of Environmental and Regulatory Affairs.

Wuerch disclosed that he recently became a member of Enstar Natural Gas Company's Community Advisory Board. It is not a fiduciary position and he will excuse himself from participation if a conflict of interest arises.

Wuerch stated that the project has been determined to be technically buildable, financially affordable and environmentally acceptable meeting the community's need; these three broad-range issues are described in detail in the purpose and need statement.

He announced that FHWA has selected the Knik Arm Crossing project to participate in the NEPA Teambuilding Initiative. This will streamline the process and more resources and expertise will be readily available.

Wuerch stated that Dave Miller, FHWA/Alaska Administrator, supports seeking a National Highway System designation for the project. Commissioner Barton will respond with a letter of intent. Barton stated that being recognized as a project of regional and/or national significance will be very advantageous to the project.

Regarding the conceptual financial plan, Wuerch advised that a Letter of Interest would be filed with FHWA's Transportation Infrastructure Finance and Innovation Act (TIFIA) loan program. It is anticipated that the letter will be filed in June 2005 when results of the TEA-LU Bill might be known and preliminary opinions from KABATA's toll and traffic evaluation contractor, Wilbur Smith Associates, should be available.

5. Executive Director's Report

Springer reported on activities and progress made since the last meeting including entering the EIS phase with FHWA designated as the lead agency; the hiring of Dale Paulson on January 3, 2005 as Director of Regulatory and Environmental Affairs who will be the primary liaison with FHWA during the NEPA process; and the assignment by Central Region DOT&PF of Kim Rice, Bill Ballard and Gary Hogins to be members of the project's operational entity.

He stated that the contracts with HDR, URS and PND closed on December 31, 2004 and that the existing Beluga research contract with LGL has been extended through July 2005 to provide consistency in the research and compile a year's data.

Effective January 1, 2005, HDR was awarded the NEPA EIS, Permitting, and Preliminary Engineering contract that includes approximately 20 subcontractors. Springer stated that an 18-month work plan was implemented with a goal to reach a Record of Decision (ROD) by July 2006. With magnitude and speed of the timeline it is crucial to maintain schedule and begin plans for delivery system.

Springer reported on his January meeting with the Environmental Protection Agency (EPA) in Seattle with Federal Highway Administration (FHWA) and his visit to the Bay Bridge manufacturing facility and storage facility in Stockton, CA.

6. Old Business

a. TEA-LU Status

Wuerch reported HB3, the new TEA-LU Bill has passed the House floor and included \$200 million of the estimated \$600 million for the project. The Senate, now in recess, should act on it before the May 31 extension expires.

He stated that the remaining \$400 million would be requested from federal, state and local governments, and private sector sources.

b. Budget Status

Springer stated that the budget is on-track and that the three contracts (PND, HDR, URS) closed under budget by \$338,000; those funds do not lapse.

Springer stated that it is in the State's best interest for Dale Paulson to receive an \$11,000 Hiring Bonus in lieu of moving expenses. Quotes from three moving companies greatly exceeded that amount. Paulson is agreeable. Since there is not a line item in the budget for this expense, Springer asked for the Board's approval. There was a

Action #56-1-05

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

Commissioner Barton was supportive; Springer assured him that this matter had been discussed with Division of Administrative Services Director Nancy Slagle.

The Board voted unanimously to approve.

c. HDR Contract Award

Jordan reported that HDR Alaska Inc. was awarded the NEPA EIS Permitting and Preliminary Engineering contract effective January 1, 2005. The eighteen month \$4.5 million contract is being let in three-phase segments for budget and scheduling control.

Jordan stated that HDR is the prime contractor and has 22 subcontractors. Wuerch acknowledged that the majority of the subcontractors are talented Alaskan companies.

7. New Business

a. Financial Plan

Wuerch advised that Wilbur Smith Associates (WSA) was awarded the contract for Project Toll And Traffic Evaluations Services effective March 1, 2005. They will provide preliminary investment-grade opinions of revenues and bond capacity by developing a traffic forecast and toll structure analysis using MOA and MSB models compiled by HDR. The WSA report is due by end of June 2005. An investment-grade opinion will be a separate and larger effort following this initial evaluation.

b. NEPA EIS Report

Using a detailed handout, Paulson reviewed the steps of the scoping process that is currently underway, stressing importance of public input. He reported that agencies are working early and well together and that there is a possibility for issuance of permits at the time of the draft environmental impact statement (DEIS).

c. Public Involvement

Springer advised that a multifaceted public outreach program is underway that includes required public and agency scoping meetings, a newsletter mail-out, an insert to Anchorage and Valley newspapers, household surveys, meetings with stakeholders, preparation of posters for the airport, and regular web site updates. There have been over 70 presentations made to various organizations since October 2003.

d. Right-of-Way

Springer reported on that both westside and eastside right-of-way issues are being evaluated. He stated that all issues will be concentrated on after the Public Scoping meetings and feels they can be resolved satisfactorily. Issues involve the Ports, Military and include wetlands, access control, security, tideland deed, and steep slopes.

8. Board Members' Remarks

Commissioner Barton stated that he was impressed with the progress made and feels process is going extremely well.

Senator Green stated that she feels very positive about the progress that has been made.

Director Keith appreciated receiving the good information and was pleased that the project is part of the Teambuilding Initiative. He looks forward to having the process narrow the alternatives so the project will be more defined.

Director Haugen requested clarification on the EIS process regarding the military base. Wuerch explained that military issues are currently being researched and more information will be available by next board meeting.

Vice Chair Salmon reported that the Senate Transportation meeting held in Wasilla was well attended and positive, supportive input was received. He congratulated the staff for a progress made since the last Board meeting.

9. Public Comments

There were no members of the public present.

10. Announcements

Wuerch proposed holding the next Board Meeting be held in Wasilla on June 8, 2005; all responded favorably. Board Members and the public will be notified as to the exact details when scheduled.

Springer announced that NMFS's draft Beluga plan has been published for review and that no detriment to the project has been found yet.

11. Adjournment: 2:50 PM

Action #57-1-05

MOTION by Haugen, second by Salmon; vote unanimous.

Minutes Approved: Unanimous Board approval at June 8, 2005 Board Meeting.

Attest: _____

Heinrich Springer

Date: _____

6/14/05