

**KNIK ARM BRIDGE AND TOLL AUTHORITY
BOARD of DIRECTORS
MEETING MINUTES #4-08**

Board of Directors' Meeting, June 19, 2008 in the State Office (Atwood) Building, Conference Room 1860, Anchorage, Alaska.

The meeting was duly noticed on June 10, 2008 in the legal section of the "Frontiersman," and of the "Anchorage Daily News" as public meeting notices, and also listed on the KABATA Web site and on the State Online Public Notice system.

Acting Chairman Darcie Salmon called the meeting to order at 1:30pm.

1. Roll Call

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

Also present were KABATA Staff Members Executive Director Andrew Niemiec, Deputy Director Dale Paulson, CFO Kevin Hemenway, and Chief Engineer Verne Geidl; and Project Counsels Chief Assistant Attorney General Jim Cantor and William Greene. Jody Simpson, representing Senator Charlie Huggins, attended via telephone.

Recorder: Betty Fauber, KABATA Administrative Director

There were 8 members of the public in attendance.

2. Approval of Agenda

Agenda was unanimously approved as presented.

3. Approval of Minutes from Meetings #3-08

There was a

Action #105-4-08

MOTION by Haugen, second by Salmon, to approve Minutes of Meeting #3-08.

Approved by unanimous vote.

4. Chairman's Report

Acting Chairman Salmon welcomed the attendees. He reported that Representative Bill Stoltze was reappointed to the KABATA board by Speaker of the House Harris. He thanked Rep. Stoltze for his continued service to the project. Salmon said that Senator Huggins is chairing the AGIA Hearing today so he was unable to attend.

5. Executive Director's Report

Niemiec reported that Anchorage Soil and Water Conservation District had selected the winners of their poster contest for school-aged children, which was themed "What I think the Knik Arm Bridge Would Look Like." Copies of the posters were made available.

Niemiec stated that the Department of the Air Force has granted KABATA Right-of-Entry on to Elmendorf Air Force Base to conduct additional studies like surveying; not for construction.

He provided each board member with a copy of the current Alaska Executive Branch Ethics Act Manual for Designated Ethics Supervisors.

Niemiec reported that KABATA staff will participate in the joint worksession of the AMATS' Policy and Technical Advisory Committees to provide requested information. He stated that the Ingra/Gambell Connection is tied and complementary to this project and KABATA is committed to continue working with the Municipality of Anchorage and the Government Hill Community Council to facilitate project development.

He reported that work plan priorities are to complete the NEPA process stating that the ROD is expected in August or September, and to continue working with KABATA contractor HDR to obtain environmental permits.

6. Legislative Reports

None; neither Representative Stoltze nor Senator Huggins were available to attend. Salmon asked Ms. Simpson if she had a report on behalf of Senator Huggins; not at this time.

7. Old Business

a. FEIS/ROD Update

Paulson reported that the FHWA's issuance of a Record of Decision (ROD) is pending Section 106 mitigation. The Section 106 mitigation process is extensive and complex and will end with a Programmatic Agreement; KABATA is working through the process with both the State and Advisory Council and Historic Preservation Offices in Washington DC. Many meetings with consulting parties have been held as summarized in handout.

b. Public Outreach Activities

Paulson stated that public involvement has been extensive during the Historic Properties/Section 106 consultation process; links to information on meetings and resources have been posted on the KABATA Web site.

c. P3 RFP Update

Niemiec reported that meetings had been held recently with team leaders from both qualified consortiums. Both indicated that they are still interested in the project and are aware that the P3 RFP is in review process and awaiting ROD so permitting process can begin.

8. New Business

a. Treasurer's Report

Niemiec asked Hemenway to report: Using PowerPoint presentation, a copy of which was included in the board members' packets, Hemenway gave a Financial/Budget Update stating that the project remains under its FY08 budget.

b. FY09 Budget

Hemenway provided information regarding the proposed FY09 Operating Budget of \$1.5 million and a planned FY09 Capital Program of \$3.4 million, which is needed to pursue the completion of the NEPA process through acquisition of the ROD, for 404 permitting work, stakeholder and public outreach efforts and other contingent activities, such as utilities work and ROW acquisition, and P3 RFP release and its procurement process. He stated that adequate funds are already obligated to cover proposed budgets and that planned capital program could change with future project phases.

Salmon asked the board for a motion to approve the FY09 Operating Budget; a

Action #106-04-08

MOTION was made by Haugen to approve the FY09 Operating Budget as presented, second by Keith to open for discussion;

After hearing no discussion, Salmon asked for vote.
The FY09 Operating Budget was

Approved unanimously.

c. Audit Committee Report

Andrews summarized the audit committee meeting that was held today. He reported that KABATA recently received a Certificate of Achievement of Excellence in Financial Reporting from the Government Finance Officers Association for the FY07 Comprehensive Annual Financial Report (CAFR), the second year in a row KABATA has received this highest of governmental accounting awards.

He reported that the process to acquire accounting software was underway.

Andrews stated that KPMG, KABATA's Independent Financial Audit Services contractor, presented the FY08 audit plan and where given instructions to proceed.

9. Other Matters

Salmon introduced a resolution expressing sincere appreciation to George Wuerch for his dedicated service to the State and KABATA in the development and promotion of the Knik Arm Bridge project. Wuerch served as Chairman of the Board since its establishment in September 2003 through April 2008. A

Resolution #2-08

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

Approved by unanimous vote.

Andrews recommended that the resolution be framed for presentation; Salmon concurred.

10. Board Members' Remarks

Haugen expressed appreciation to the staff and encouraged them to keep moving forward and not to let the lull and negative publicity detour the process.

Andrews echoed and endorsed Haugen's comments.

Keith reported that in response to questions asked by the Governor's Office, DOT is preparing an RFP to acquire an independent third party cost estimate of the project by segment and phase.

Simpson thanked the board for the opportunity to participate via telephone.

Salmon stated that the RFP for an independent cost estimate is vital and that an RFP should also be done to quantify the value of the project to the state.

11. Public Comments

Springer offered information and observations regarding P3 projects in Europe he obtained during a recent trip there. With similar problems to the U.S., such as high gas prices and traffic congestion, P3 projects to build shorter-distance roads are common; light rail and public transit are not being utilized. All EU travel tracking and pricing is automated via satellite.

Pease echoed Haugen's statement and acknowledged Niemiec's focus on working with a spirit of cooperation with DOT, the Governor's Office, local governments, and the Government Hill community, specifically on Section 106.

Moore thanked the chairman and board and as a Valley resident she pledged support for the project.

Epstein addressed a question to Niemiec. Salmon asked that a discussion be held after the meeting; she consented.

12. Announcements

Salmon announced that the next regular Board meeting be held on August 21, 2008 in Wasilla; Board Members and the public will be notified of the details.

13. Adjournment: 2:17pm.

Minutes Approved: Unanimous Board approval at November 20, 2008 Board Meeting.

Attest:  Date: 11-20-08
Andrew J. Niemiec, Executive Director