

**KNIK ARM BRIDGE AND TOLL AUTHORITY**  
**REGULAR BOARD of DIRECTORS**  
MEETING MINUTES #1-09

Regular Board of Directors' Meeting, February 26, 2009 at the State Office (Atwood) Building, Conference Room 1860, Anchorage, Alaska.

The meeting was duly noticed on February 17, 2009 in the legal section of the "Frontiersman" and in the "Anchorage Daily News" as public meeting notices, and also listed on the KABATA Web site and on the State Online Public Notice system.

The meeting progressed in accordance with the previously established and published agenda.

Chairman Michael Foster called the meeting to order at 1:30pm.

1. Roll Call

A quorum was established with all five voting directors in attendance:  
Michael Foster, Darcie Salmon, Dave Haugen, Jerry Burnett, and Gordon Keith.

Also present: KABATA Board Member Representative Mark Neuman; KABATA Staff Members, Executive Director Andrew Niemiec and CFO Kevin Hemenway; also Project Counsels Bill Greene and Jim Cantor. Attending via telephone was Jody Simpson, legislative aide to Senator Charlie Huggins.

Recorder: Betty Fauber, KABATA Administrative Director

There were 5 members of the public in attendance.

2. Approval of Agenda

Agenda was approved as presented.

Approved by unanimous vote.

3. Approval of Minutes from Meeting #5-08

There was a

**Action #109-1-09**

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

Approved unanimously.

4. Chairman's Report

As the recently appointed Chairman of the Board, Foster stated that he is excited about the opportunity to work on the project and is encouraged by the staff and board members. He said he has reviewed volumes of project documents and looks forward to a more in-depth next meeting.

#### Audit Committee Report

Foster asked Audit Committee Chairman Burnett to report. Burnett stated that the audit committee met earlier today; they received a detailed financial update and approved the final one-year extension to the KPMG Independent Financial Audit Services contract.

At Representative Neuman's request, Burnett provided details about the Audit Committee Charter and activities.

#### 5. Executive Director's Report

Niemiec welcomed new Board Members Foster, Burnett and Representative Neuman. He summarized documents in the packet stating that details would follow.

#### Treasurers Report

Niemiec asked Hemenway to report: Hemenway reviewed the charts included in the packet reporting that FY09 expenditures through January 31, 2009 were \$1.1 million below spending planned and reported that the majority of the accrued expenditures since inception have been NEPA-related.

In response to Keith's question, Hemenway defined the term "accrual" as the total of recognized expenditures incurred to date, whether or not recorded in the State accounting system (AKSAS).

#### Quarterly Travel Report

Niemiec advised that the Board & Staff Travel Report for the fourth quarter of 2008 was provided in packet for the board's review.

Burnett inquired about the Bond Buyer Conference; Hemenway reported that this premier transportation finance conference, which was attended primarily by banks, P3 investors and project sponsors, was very informative and that USDOT, FHWA and State and Local government officials also attended.

Responding to a question from Representative Neuman, Niemiec stated that much was gained from meeting with the project's lead agency FHWA and NMFS because of KABATA's pursuit of the ROD, which includes the Cook Inlet Beluga formal consultation.

Foster asked Niemiec if there was any future travel planned; Niemiec stated that none was scheduled.

#### 6. Legislative Reports

Representative Neuman stated that as a newly appointed board member he will work with Representative Stoltze and Senator Huggins for a smooth transition.

Representative Neuman noted that there has been no budget request from the project submitted to the legislature. He asked Keith to report on project-related activities of the administration. Keith stated that the Governor's Office request for an independent third-party cost estimate is complete reporting that the contractor's estimate is very close to KABATA's own estimate, which is indicative of good project management. Foster

stated that a margin such as this, less than one percent, is phenomenal. Keith said that this week a major project review team is verifying the accuracy and reasonableness of project's total cost estimate, cost risks, probabilities and impacts, along with the schedule; input will be from DOT, KABATA, and the FHWA. Niemiec reported that discussions were going well and the team will issue their summary findings on Friday (February 27, 2009) to be followed by a formal report. Foster said this cost estimate review is to provide information that would help alleviate the administration's concerns regarding cumulative impacts and cost.

7. Old Business

None.

8. New Business

Keith welcomed Foster to the Board stating that Foster is well-qualified and will be an asset. Keith asked Foster to provide a recap of his background and experience, which he did.

9. Other Matters to Properly Come Before the Board

Representative Neuman inquired about the Cook Inlet Beluga Whale Biological Assessment; as co-chair of the House Resources Committee, he is interested in receiving information on the Cook Inlet Beluga whale as its ESA listing could be critical to the State as well as to the project.

Haugen introduced a Resolution for consideration titled Resolution of Appreciation for Representative Bill Stoltze's Service to the Knik Arm Bridge and Toll Authority. A draft of

**Resolution #1-09** was provided to the board for review. A typographical error found by Burnett will be corrected. A

**MOTION** was made by Salmon, second by Keith to approve with correction; it was

Approved by unanimous vote.

Foster asked that the signed Resolution be framed and sent to Representative Stoltze.

10. Board Members' Remarks

Salmon welcomed new board members Foster, Burnett and Representative Neuman, thanking them for the willingness to work on the project.

Haugen welcomed new board members and asked Rep. Neuman to extend thanks to Rep. Stoltze for his service.

Keith welcomed the new board members stating that he looks forward to the project moving forward.

Representative Neuman stated that the recent public opinion survey was a good idea and encouraged more presence in the public, such as attending Chamber and Community

Council meetings, to educate on the benefits of the project. Foster agreed that public involvement was important, especially to address their concerns.

Foster thanked the board for their welcome stating that he will strive to gain the confidence of the Board, the Administration and the State of Alaska.

11. Public Comments

Foster welcomed public's comments. Doyle Holmes from Willow, Alaska, stated that he supported the project. Informing that his wife is the president of the Willow Chamber of Commerce, he asked if a Letter of Support from the Willow Chamber would be helpful. Foster replied affirmatively and said that any public comments, positive or negative, about the project are welcomed.

Salmon asked that thanks be conveyed to the City of Houston, Alaska, for their Resolution of Support.

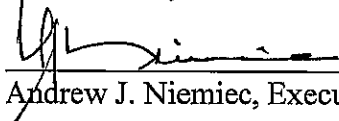
12. Announcements

Foster stated the next Board meeting is scheduled for Thursday, April 9, 2009, at 1:30pm in the State Office (Atwood) Building, Conference Room 1860. Meeting information will be posted on the KABATA Web site.

13. Adjournment: 2:13pm.

Minutes Approved: Unanimous Board approval at April 9, 2009 Board Meeting.

Attested to by:

  
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Andrew J. Niemiec, Executive Director

Date: 4-10-09