

**KNIK ARM BRIDGE AND TOLL AUTHORITY
ANNUAL BOARD of DIRECTORS**

MEETING MINUTES #6-10

Annual Board of Directors Meeting, November 18, 2010, Suite 1720 of the Atwood Building, Anchorage, Alaska

The meeting was duly noticed on November 9, 2010 in the legal section of the *Frontiersman* and the *Anchorage Daily News* as public meeting notices, and also listed on the KABATA Web site and the State Online Public Notice system on November 2, 2010.

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

Chairman Michael Foster called the meeting to order at 1:31pm.

1. Roll Call

A quorum was established with 3 voting directors in attendance at roll call:

Michael Foster and Dave Haugen, were physically present and Jerry Burnett participated via telephone. Janet Kincaid, Frank Richards and Senator Linda Menard arrived shortly after the meeting was called to order.

Also present: KABATA Executive Director Andrew Niemiec, CFO Kevin Hemenway and Chief Engineer Loran Frazier;

Recorder: Amanda True, KABATA Office Assistant.

There were 14 members of the public in attendance.

2. Approval of Agenda

Agenda was approved as presented.

Approved unanimously.

3. Approval of Minutes from Meeting #5-10

There was a

Action #134-6-10

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

Approved unanimously.

4. Chairman's Report

As discussed during the previous Board meeting, the National Marine Fisheries Service (NMFS) is internally reviewing the Biological Assessment (BA). The Federal Highway Administration (FHWA) has worked closely with KABATA on the BA consultation process. NMFS is to prepare a Draft Biological Opinion (BO) before issuing the Final BO. It is still KABATA's expectation that a BO and Record of Decision (ROD) will be issued by the end of 2010, as both agencies are working diligently to achieve that goal.

5. Executive Director's Report

a. Project Development Update

Andrew Niemiec began by introducing KABATA Chief Engineer Loran Frazier to the Board and wishing Corene Alvarado well with her future endeavors. Andrew discussed a December meeting between staff and our Financial, Traffic and contract Advisors to schedule project development activities for next year. He mentioned there is a short project development update in the board packet and wanted to point out the ROD and BO status and reiterate that both documents are under agency review. We were expecting to get the Final Critical Habitat Designation for beluga whales in October but it has been delayed and should be issued in December. The Final Ambient Noise Study in the Knik Arm has been delivered and will be put on the website shortly.

Andrew Niemiec reported that KABATA's 2010 Annual Report is currently being drafted and will be ready for the Legislature by January. The State's budget request, which goes through the ADOT, is also being developed, and KABATA has a place holder in for discussions on core operations to be funded by state general funds. Currently, all expenditures are paid with state and federal capital funds.

Frank Richards urged KABATA to contact the Office of Management and Budget to get the results of the budget process discussion.

Andrew Niemiec continued that KABATA is working with FHWA on a schedule to further project development and a request will be submitted for additional funds to get through the Right of Way (ROW) process and to get procurement underway. KABATA had a booth set up at the RDC Annual Conference to provide updated project information to the public.

b. Treasurer's Report

CFO Kevin Hemenway addressed the board stating the total year to date expenditures through October 31, 2010 is \$1.6 MM, primarily for NEPA and Preliminary Engineering. Of the remaining \$4.8 MM federal participating funds, \$1.3 MM is encumbered under various contracts. The fourth Audit Committee Meeting was held prior to the Board Meeting. The Comprehensive Annual Financial Report (CAFR) and Annual Report (AR) are in draft form and will be going to the printer in mid December for distribution to the Legislature along with applying for the GFOA Certificate for Excellence in Financial Reporting. Further details are included in the Board packet.

Frank Richards asked for more information on the TIFIA Letter of Interest.

Kevin Hemenway stated the TIFIA Letter of Interest next notice of funding availability will be coming out in December. KABATA will be submitting a third request this year and a ROD would improve our position to receive TIFIA funding.

6. Legislative Report

Senator Menard updated the Board on all the newly seated Legislative Members and their positions. A letter dated November 2nd was sent out to all current sitting Legislative members to update them on the Knik Arm Crossing Project and to see what kind of support she could depend on from them in regards to the Knik Arm Crossing project. She has since received some really positive feedback and suggested holding a "Learn-in-Lunch" with a presentation and project information.

Chairman Foster thanked Senator Menard for sending the letter out and keeping the project fresh.

7. Old Business

None.

8. New Business

Chairman Foster stated the Board needs to ratify the appointment of the Audit Committee Members at the Annual Meeting. The sitting members are Deputy Commissioner Jerry Burnett, Dave Haugen and himself. All have agreed to continue as members of the Audit Committee. Foster asked if anyone else would like to sit on the Committee and opened it up for discussion. He then asked for a motion to approve the re-appointment of the current Audit Committee Members

Action #135-6-10

MOTION by Kincaid, second by Richards, to ratify Audit committee appointments as presented.

Approved unanimously.

The next item of business is the 2011 Board of Directors Meeting schedule. A draft schedule was provided in the Board packet. Foster opened it up for discussion, or changes.

Action #136-6-10

MOTION by Menard, second by Kincaid, was made to approve the 2011 proposed meeting schedule as presented.

Approved unanimously.

Foster continued with the election of a Vice Chairman and gave a brief description of what the position entails. Foster opened the floor for nominations.

Burnett nominated Dave Haugen to be the Vice Chairman.

Foster requested if Haugen confirmed that he is willing to accept the nomination. Foster then asked for any other Nominations. None were provided.

Action #137-6-10

MOTION by Kincaid, second by Richards, was made to accept Haugen as Vice Chairman of the Board.

Approved unanimously.

9. Other Matters to Properly Come Before the Board

None

10. Board Members' Remarks

Kincaid again thanked Senator Menard for her kind letter and stated she was happy to see we are going to continue Board Meetings around the state as it is very valuable to the project. Senator Menard and she have a Lunch for four with Mayor Sullivan any time of their choice. Kincaid offered the other two places to anyone interested and asked if it would be of use to the board to discuss the project with Mayor Sullivan during this lunch.

Haugen stated that he attended the RDC Annual Meeting. He mentioned that Governor Parnell solicited RDC members to come forward to provide innovative ways to do state business and encouraged KABATA do what it can to get the project in front of him as this type of project meets his challenge.

Richards continued that at the same RDC meeting the Governor announced the new DOT Commissioner, Mark Luiken, and spoke briefly about his background. On the topic of innovation, Richards mentioned there was also a Ports and Harbor Conference today and the P3 concept was brought up to fund future Trans-Arctic routes to get Commerce across the top of the world. He hopes to be able to bring those discussions to the Governor. Also at the conference was current Senate Finance co-Chair Burt Steadman, who wanted to relay his support for bridges including the Knik Arm Crossing.

Senator Menard spoke more on the Lunch with Mayor Sullivan. This lunch was purchased at a fund raiser for the Salvation Army. Again, she would like for someone from the Board to join them for lunch. When speaking at the Chamber she was asked why she is so excited and why are things different now with the project? Menard responded "because we have Mayor Sullivan on our side" so we need to keep up the talk of the project and keep moving forward.

Kincaid was reminded of a Joint Palmer Wasilla Chamber Meeting. Don Young was a speaker and he voiced his support of the project before the Committee.

Richards volunteered to join Senator Menard and Kincaid at the lunch with Mayor Sullivan. He also asked that if we are at a point now with the ROD expected to be provided in December, if the staff would identify what the next immediate steps will be for advancing the project?

Niemiec responded that as for the Federal Program we need to advance the project agreement through FHWA because today we are only authorized to complete the environmental document. KABATA will modify that agreement with FHWA authorizing KABATA to go into Right of Way (ROW) Acquisition and will further development of the project by getting authorization to include final design and eventually construction. We will continue working on getting our Corps Permit and other required permits. A lot of ROW Acquisition is Government to Government working with DNR, MOA, FHWA, Mat-Su, and Elmendorf. There are also a few private parcels to acquire. We will also continue working on utility agreements. As far as procurement goes, KABATA will look at already prepared documents and based on where we are today take that process forward.

Senator Menard asked about the \$5 MM - if it was for ROW Acquisition.

Niemiec clarified the \$ 5 MM is to cover administrative costs of KABATA and to cover the consultants to procurement, in addition to that, if we include the cost to purchase ROW, that gets into the \$9 MM to \$12 MM and then the mitigation in addition to these figures.

Senator Menard expressed the importance of the financial aspect of the project.

Niemiec will provide the Board a detailed schedule of those activities and detailed cost associated with that at the next meeting.

11. Public Comments

None

12. Announcements

Foster and Niemiec are scheduled to be in Juneau on the second day of the Legislative Session to present the KABATA Annual Report and to meet with each legislator as has been done in the past and will continue to work with the administration on the next steps on the project.

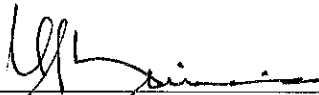
The next Board of Director's Meeting will be held in Juneau, Alaska on February 10, 2011 at 1:30 p.m. location to be determined, with the Audit Committee Meeting preceding at 12:30 p.m.

[On January 12, 2011 notice was provided that the meeting was rescheduled to February 17, 2011]

13. Adjournment: 2:06 p.m.

Minutes Approved: Unanimous Board Approval at February 17, 2010 Annual Board Meeting

Attested to by:

 Date: 2-17-11
Andrew J. Niemiec, Executive Director