

Requested by: Chairman of the Assembly
at the request of the Mayor

For Reading: June 24, 2003

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CLERK'S OFFICE

APPROVED

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MUNICIPALITY OF ANCHORAGE, ALASKA

ORDINANCE NO. AO 2003-104

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, PROVIDING FOR THE ISSUANCE OF WASTEWATER REVENUE BONDS OF THE MUNICIPALITY IN THE AGGREGATE AMOUNT OF NOT TO EXCEED \$45,000,000 FOR THE PURPOSE OF PROVIDING FOR CERTAIN IMPROVEMENTS TO THE WASTEWATER UTILITY AND TO PAY COSTS OF ISSUANCE; FIXING CERTAIN COVENANTS AND PROTECTIVE PROVISIONS SAFEGUARDING THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE DATE, FORM, TERMS, MATURITIES AND MANNER OF SALE OF THE BONDS; DELEGATING TO THE CHIEF FISCAL OFFICER AND/OR ACTING CHIEF FISCAL OFFICER THE APPROVAL OF FINAL MATURITY AMOUNTS AND INTEREST RATES ON SAID BONDS; AUTHORIZING AN OFFICIAL STATEMENT; AUTHORIZING THE SALE OF SUCH BONDS; AND REPEALING ORDINANCE NO. AO 2003-60.

WHEREAS, the Municipality of Anchorage, Alaska (the "Municipality"), owns, operates and maintains a wastewater utility (hereinafter defined as the "System") which is in need of certain additions, improvements and extensions (hereinafter defined as the "Projects"); and

WHEREAS, the Municipality has outstanding the following described revenue bonds having a lien on the revenues of the System:

Authorizing Ordinance	Bond Designation	Date of Bonds	Original Principal Amount	Principal Amount Outstanding (3/15/03)
AO 99-119(S)	Wastewater Revenue Bonds, 1999	October 15, 1999	\$ 5,180,000	\$ 4,915,000

(the "Outstanding Parity Bonds"); and

WHEREAS, the Municipality now deems it to be in the best interest of the inhabitants of the Municipality to provide for the financing of the Projects by the issuance of the bonds herein authorized (hereinafter defined as the "Bonds"); and

WHEREAS, Ordinance No. AO 99-119(S) permits the Municipality to issue bonds in the future on a parity with the Outstanding Parity Bonds upon compliance with the terms and conditions set forth in the Ordinance No. AO 99-119(S); and

WHEREAS, the Municipality has been assured that said conditions have or will be complied with prior to the closing and delivery of the Bonds; and

WHEREAS, it is necessary to establish the form, terms, date, payment dates, conditions, covenants and method of sale of such Bonds and to make provision for establishing the amounts, redemption rights, interest rates and maturities thereof; and

WHEREAS, the Municipality passed and approved Ordinance No. AO 2003-60 on April 22, 2003 providing for the issuance of the Bonds; and

WHEREAS, the closing for the issuance of the Bonds was delayed by several months due to unforeseen circumstances; and

WHEREAS, it would be in the best interest of the Municipality to repeal Ordinance No. AO 2003-60 and replace it with this ordinance;

NOW, THEREFORE, THE MUNICIPALITY OF ANCHORAGE ORDAINS:

1 Section 1. Purpose. The purpose of this Series Ordinance is to authorize the issuance
2 and sale of not to exceed \$45,000,000 of wastewater revenue bonds, to fix the form, covenants
3 and method of sale of said bonds and to provide for establishing the amount, date, payment dates,
4 redemption rights and maturities of said bonds. The purpose for the issuance of the wastewater
5 revenue bonds authorized herein is to pay and reimburse the Municipality for part of the cost of
6 the Projects described in Section 4 of this ordinance, to fund a portion of the Reserve Account
7 Requirement, to capitalize interest on a portion of the Bonds and to pay costs of issuance.

8 Section 2. Definitions. As used in this ordinance, unless a different meaning clearly
9 appears from the context:

10 *Accreted Value* means (1) with respect to any Capital Appreciation Bonds, as of any date
11 of calculation, the sum of the amount set forth in the Series Ordinance as the amount
12 representing the initial principal amount of such Capital Appreciation Bonds plus the interest
13 accumulated, compounded and unpaid thereon as of the most recent compounding date, or
14 (2) with respect to Original Issue Discount Bonds, as of the date of calculation, the amount
15 representing the initial public offering price of such Bonds plus the amount of discounted
16 principal which has accreted since the date of issue. In each case the Accreted Value shall be
17 determined in accordance with the provisions of the Series Ordinance authorizing the issuance of
18 such Capital Appreciation Bonds.

19 *Acquired Obligations* means and includes any of the following securities, if and to the
20 extent the same are at the time legal for investment of funds of the Municipality:

21 (i) any bonds or other obligations which as to principal and interest constitute
22 direct obligations of, or are unconditionally guaranteed by, the United States of America,
23 including obligations of any federal agency or corporation which has been or may hereafter be

1 created pursuant to an act of Congress as an agency or instrumentality of the United States of
2 America to the extent unconditionally guaranteed by the United States of America; and

3 (ii) any bonds or other obligations of any state of the United States of America
4 or of any agency, instrumentality or local governmental unit of any such state (a) which are not
5 callable at the option of the obligor prior to maturity or as to which irrevocable instructions have
6 been given to the trustee of such bonds or other obligations by the obligor to give due notice of
7 redemption and to call such bonds for redemption on the date or dates specified in such
8 instructions, (b) which are fully secured as to principal and interest and redemption premium, if
9 any, by a fund consisting only of cash or bonds or other obligations of the character described in
10 clause (i) hereof which fund may be applied only to the payment of such principal of and interest
11 and redemption premium, if any, on such bonds or other obligations on the maturity date or dates
12 thereof or the specified redemption date or dates pursuant to such irrevocable instructions, as
13 appropriate, and (c) as to which the principal of and interest on the bonds and obligations of the
14 character described in clause (i) hereof which have been deposited in such fund along with any
15 cash on deposit in such fund are sufficient to pay principal of and interest and redemption
16 premium, if any, on the bonds or other obligations described in this clause (ii) on the maturity
17 date or dates thereof or on the redemption date or dates specified in the irrevocable instructions
18 referred to in subclause (a) of this clause (ii), as appropriate.

19 ***Acting Chief Fiscal Officer*** means the duly appointed acting chief fiscal officer of the
20 Municipality.

21 ***Annual Debt Service*** means the total amount of Debt Service for any Parity Bond or
22 series of Parity Bonds in any fiscal year or Base Period.

1 **Annual Debt Service Requirement** means, with respect to any particular year and to any
2 specified bonds, an amount equal to:

3 (i) the principal amount of such bonds due or subject to mandatory
4 redemption during such year and for which no sinking fund installments have been established,

5 (ii) the amount of any payments required to be made during such year into any
6 sinking fund established for the payment of any such bonds, plus

7 (iii) all interest payable during such year on any such bonds outstanding,
8 calculated on the assumption that mandatory redemptions of bonds for which no sinking fund
9 installments have been established will be made in accordance with the mandatory call schedule,
10 and that mandatory sinking fund installments will be applied to the redemption or retirement of
11 such bonds on the earlier of the date specified in such bonds or the first par call date. Such
12 amount shall be net of any interest and principal funded out of bond proceeds.

13 **Arbitrage and Tax Certification** means the certificate of that name executed and
14 delivered by the Municipality at the time of issuance and delivery of the Bonds.

15 **Assembly** means the general legislative authority of the Municipality, as the same may be
16 constituted from time to time.

17 **Balloon Maturity Bonds** means any Parity Bonds which are so designated in the Series
18 Ordinance pursuant to which such Parity Bonds are issued. Commercial paper (obligations with
19 a maturity of not more than 270 days from the date of issuance) shall be deemed to be Balloon
20 Maturity Bonds.

21 **Base Period** means any consecutive 12-month period selected by the Municipality out of
22 the 30-month period next preceding the date of issuance of an additional series of Parity Bonds.

1 **Beneficial Owner** means the beneficial owner of all or a portion of a Bond while such
2 Bond is in book-entry only form.

3 **Bond or Bonds** means any of the wastewater revenue bonds of the Municipality the
4 issuance and sale of which are authorized herein.

5 **Bond Fund** means the special fund heretofore created pursuant to Ordinance No. AO 99-
6 119(S) and designated as the "Wastewater Revenue Bond Redemption Fund".

7 **Bond Insurer** means the insurance company, if any, issuing the Municipal Bond
8 Insurance Policy with respect to the Bonds.

9 **Bond Register** means the registration books maintained by the Registrar containing the
10 names and addresses of the Registered Owners of the Bonds.

11 **Bond Year** means each one-year period that ends on the date selected by the Chief Fiscal
12 Officer and/or Acting Chief Fiscal Officer. The first and last Bond Years may be short periods.
13 If no day is selected by the Chief Fiscal Officer and/or Acting Chief Fiscal Officer before the
14 earlier of the final maturity date of the Bonds or the date that is five years after the date of the
15 issuance of the Bonds, Bond Years end on each anniversary of the date of issue and on the final
16 maturity date of the Bonds.

17 **Capital Appreciation Bonds** means Parity Bonds all or a portion of the interest on which
18 is compounded, accumulated and payable only upon redemption or on the maturity date of such
19 Parity Bonds. If so provided in the Series Ordinance authorizing their issuance, Parity Bonds
20 may be deemed to be Capital Appreciation Bonds for only a portion of their term. On the date on
21 which Parity Bonds no longer are Capital Appreciation Bonds, they shall be deemed Outstanding
22 in a principal amount equal to their Accreted Value.

1 **Charter** means the Anchorage Municipal Charter as the same may be amended from time
2 to time.

3 **Chief Fiscal Officer** means the chief fiscal officer of the Municipality appointed and
4 confirmed pursuant to Section 5.05 of the Charter.

5 **Code** means the Internal Revenue Code of 1986, as amended, and all applicable
6 regulations thereunder.

7 **Commission** means the Securities and Exchange Commission.

8 **Consultant** means at any time an independent consultant nationally recognized in
9 wastewater utility matters or an engineer or engineering firm or other expert appointed by the
10 Municipality to perform the duties of the Consultant as required by this ordinance. For the
11 purposes of delivering any certificate required by Section 20 hereof and making the calculation
12 required by Section 20 hereof, the term Consultant shall also include any independent national
13 public accounting firm appointed by the Municipality to make such calculation or to provide such
14 certificate or nationally recognized financial advisor appointed by the Municipality for purposes
15 of making such calculation.

16 **Coverage Requirement** means Net Revenues equal to or greater than 115% of the
17 maximum Annual Debt Service with respect to all Parity Bonds.

18 **Credit Facility** means either or both a Qualified Letter of Credit or Qualified Insurance.

19 **Date of Commercial Operation** means the date upon which any facilities of the System
20 are first ready for normal continuous operation or, if portions of the facilities are placed in
21 normal continuous operation at different times, shall mean the midpoint of the dates of
22 continuous operation of all portions of such facilities, as estimated by the Municipality or, if used

1 with reference to facilities of the System to be acquired, shall mean the date on which such
2 acquisition is final.

3 ***Debt Service*** means, for any period of time,

4 (a) with respect to any Outstanding Original Issue Discount Bonds or Capital
5 Appreciation Bonds which are not designated as Balloon Maturity Bonds in the Series Ordinance
6 authorizing their issuance, the principal amount thereof shall be equal to the Accreted Value
7 thereof maturing or scheduled for redemption in such period, and the interest payable during such
8 period;

9 (b) with respect to any Outstanding Fixed Rate Bonds, an amount equal to
10 (1) the principal amount of such Parity Bonds due or subject to mandatory redemption during
11 such period and for which no sinking fund installments have been established, (2) the amount of
12 any payments required to be made during such period into any sinking fund established for the
13 payment of any such Parity Bonds, plus (3) all interest payable during such period on any such
14 Parity Bonds Outstanding and with respect to Parity Bonds with mandatory sinking fund
15 requirements, calculated on the assumption that mandatory sinking fund installments will be
16 applied to the redemption or retirement of such Parity Bonds on the date specified in the Series
17 Ordinance authorizing such Parity Bonds;

18 (c) with respect to all other series of Parity Bonds Outstanding, other than
19 Fixed Rate Bonds, Original Issue Discount Bonds or Capital Appreciation Bonds, specifically
20 including but not limited to Balloon Maturity Bonds, an amount for any period equal to the
21 amount which would have been payable for principal and interest on such Parity Bonds during
22 such period computed on the assumption that the amount of Parity Bonds Outstanding as of the
23 date of such computation would be amortized (i) in accordance with the mandatory redemption

1 provisions, if any, set forth in the Series Ordinance authorizing the issuance of such Parity
2 Bonds, or if mandatory redemption provisions are not provided, during a period commencing on
3 the date of computation and ending on the date 30 years after the date of issuance (ii) at an
4 interest rate equal to 80% of the yield to maturity set forth in the 40-Bond Index published in the
5 edition of *The Bond Buyer* (or comparable publication or such other similar index selected by the
6 Municipality with the approval of the Consultant, if applicable) selected by the Municipality and
7 published within ten days prior to the date of calculation or, if such calculation is being made in
8 connection with the certificate required by Section 20 hereof, then within ten days of such
9 certificate, (iii) to provide for essentially level annual debt service of principal and interest over
10 such period; and

11 (d) the Municipality Payments required by contract to be paid to a Reciprocal
12 Payor under any existing Derivative Product, offset by the Reciprocal Payments during the
13 relevant period, on the assumption that if any such payment is not fixed at the time of execution
14 of the Derivative Product, the amount of such payment will be calculated at the Estimated
15 Average Derivative Rate prevailing during the remaining term of the Derivative Product.

16 With respect to any Parity Bonds payable in other than U. S. Dollars, Debt Service shall
17 be calculated as provided in the Series Ordinance authorizing the issuance of such Parity Bonds.
18 Debt Service shall be net of any interest funded out of Parity Bond proceeds. Debt Service shall
19 include reimbursement obligations to providers of Credit Facilities to the extent authorized in a
20 Series Ordinance.

21 ***Derivative Facility*** means a letter of credit, an insurance policy, a surety bond or other
22 credit enhancement device, given, issued or posted as security for the Municipality's obligations
23 under one or more Derivative Products.

1 **Derivative Payment Date** means any date specified in the Derivative Product on which a
2 Municipality Payment is due and payable under the Derivative Product.

3 **Derivative Product** means a written contract or agreement between the Municipality and
4 a Reciprocal Payor, which provides that the Municipality's obligations thereunder will be
5 conditioned on the absence of: (i) a failure by the Reciprocal Payor to make any payment
6 required thereunder when due and payable, and (ii) a default thereunder with respect to the
7 financial status of the Reciprocal Payor; and

8 (a) under which the Municipality is obligated to pay, on one or more
9 scheduled and specified Derivative Payment Dates, the Municipality Payments in exchange for
10 the Reciprocal Payor's obligation to pay or to cause to be paid to the Municipality, on scheduled
11 and specified Derivative Payment Dates, the Reciprocal Payments;

12 (b) for which the Municipality's obligations to make all or any portion of
13 Municipality Payments may be secured by a pledge of and lien on Net Revenues on an equal and
14 ratable basis with the Outstanding Parity Bonds;

15 (c) under which Reciprocal Payments are to be made directly into a bond fund
16 for Outstanding Parity Bonds;

17 (d) for which the Municipality Payments are either specified to be one or more
18 fixed amounts or are determined according to a formula set forth in the Derivative Product; and

19 (e) for which the Reciprocal Payments are either specified to be one or more
20 fixed amounts or are determined according to a formula set forth in the Derivative Product.

21 **Derivative Product Account** means the Derivative Product Account, if any, created and
22 established under a Series Ordinance.

1 **DTC** means The Depository Trust Company, New York, New York, a limited purpose
2 trust company organized under the laws of the State of New York, as depository for the Bonds
3 pursuant to Section 5 hereof.

4 ***Estimated Average Derivative Rate*** means:

5 (a) as to the variable rate payments to be made by a party under any
6 Derivative Product,

7 (i) to the extent such variable rate payments have been made for a
8 period of 12 months or more, the higher (in the case of variable rate Municipality Payments), or
9 the lower (in the case of variable rate Reciprocal Payments) of:

10 (A) the weighted average rate of interest applicable to such
11 payments during the immediately preceding 12-month period; or

12 (B) the rate applicable under the related Derivative Product as
13 of the date of determination; or

14 (ii) to the extent such variable rate payments have not been made for a
15 period of 12 months or more, the most current actual rate used in calculating such variable rate
16 payments; and

17 (b) as to any Derivative Products which have been authorized to be entered
18 into by the Municipality but have not yet been executed or become effective, the variable rate
19 will be estimated by applying the variable rate formula specified in the contract to the most
20 recently published rate for the floating rate index or other equivalent specified in the Derivative
21 Product as the basis upon which the variable rate will be determined,

22 *provided that*, when the variable rate to be used in a Derivative Product is specified as the rate or
23 rates applicable to one or more specified maturities of Parity Bonds, the variable rate or rates

1 under the Derivative Product will be deemed to be the same rate or rates estimated for the
2 specified maturity or maturities of the specified Parity Bonds, and *provided further that*, if two or
3 more Derivative Products each specify the same index and formula for determining and setting
4 their respective variable rates, on the same dates, and for the same periods of time, and with
5 respect to identical derivative principal amounts, all such Derivative Products shall be deemed to
6 have the same Estimated Average Derivative Rate, calculated in accordance with
7 paragraphs (a)(i) and (a)(ii) of this definition and, where applicable, with respect to the first of
8 such Derivative Products to become effective.

9 ***Fiscal Year*** means the fiscal year of the Municipality which currently is the calendar
10 year.

11 ***Fitch*** means Fitch, Inc., a corporation, organized and existing under the laws of the State
12 of Delaware, its successors and their assigns, and, if such organization shall be dissolved or
13 liquidated or shall no longer perform the functions of a securities rating agency, Fitch shall be
14 deemed to refer to any other nationally-recognized securities rating agency (other than S&P or
15 Moody's) designated by the Chief Fiscal Officer and/or Acting Chief Fiscal Officer.

16 ***Fixed Rate Bonds*** means those Parity Bonds, other than Capital Appreciation Bonds,
17 Original Issue Discount Bonds or Balloon Maturity Bonds issued under a Series Ordinance in
18 which the rate of interest on such Parity Bonds is fixed and determinable through their final
19 maturity or for a specified period of time. If so provided in the Series Ordinance authorizing
20 their issuance, Parity Bonds may be deemed to be Fixed Rate Bonds for only a portion of their
21 term.

22 ***Future Parity Bonds*** means revenue bonds or other revenue obligations issued by the
23 Municipality in the future with a lien on Net Revenues equal to the lien thereon of the Bonds.

1 **Gross Revenues** means all rates and charges and other income, (including income from
2 Wastewater Fund investments) in each case derived by or for the account of the Municipality
3 from the ownership, leasing or operation of the System, except proceeds from the sale of the
4 bonds or notes, any grants received for the System and interest received and profits derived from
5 the investment of moneys obtained from such sources or from moneys held in any fund solely to
6 pay or secure the payment of any bonds or notes issued in connection with the System.

7 **Letter of Representations** means the Blanket Issuer Letter of Representations from the
8 Municipality to DTC dated July 1, 1995.

9 **Maximum Annual Debt Service** means, with respect to any Outstanding series of Parity
10 Bonds the highest remaining Annual Debt Service for such series of Parity Bonds or Derivative
11 Products, as the case may be.

12 **Mayor** means the Mayor of the Municipality, elected pursuant to Section 5.01 of the
13 Charter.

14 **Municipal Manager** means the Municipal Manager of the Municipality.

15 **Moody's** means Moody's Investors Service, Inc., a corporation duly organized and
16 existing under and by virtue of the laws of the State of Delaware, and its successors and assigns,
17 except that if such corporation shall be dissolved or liquidated or shall no longer perform the
18 functions of a securities rating agency, then the term Moody's shall be deemed to refer to any
19 other nationally recognized securities rating agency (other than Fitch or S&P) selected by the
20 Chief Fiscal Officer and/or Acting Chief Fiscal Officer.

21 **MSRB** means the Municipal Securities Rulemaking Board or any successor to its
22 functions.

1 ***Municipal Bond Insurance Policy*** shall mean the municipal bond insurance policy, if
2 any, issued by the Bond Insurer insuring the payment when due of the principal of and interest on
3 the Bonds as provided therein.

4 ***Municipal Utility Service Assessments*** means assessments levied pursuant to Ordinance
5 No. AO 88-162, as amended by Ordinance No. AO 88-173, as the same may be further amended,
6 repealed and superseded from time to time and any successor assessments levied by the
7 Municipality against the System, to be paid in lieu of property taxes for governmental services.

8 ***Municipality*** means Anchorage, Alaska, a municipal corporation organized and existing
9 under the Constitution and laws of the State of Alaska.

10 ***Municipality Payment*** means any payment, other than termination payments, required to
11 be made by or on behalf of the Municipality under a Derivative Product and which is determined
12 according to a formula set forth in a Derivative Product.

13 ***NRMSIR*** means a nationally recognized municipal securities information repository.

14 ***Net Proceeds***, when used with reference to the Bonds, means the principal amount of the
15 Bonds, plus accrued interest and original issue premium, if any, and less original issue discount.

16 ***Net Revenues*** means for any fiscal year or other period of time, the Gross Revenues and
17 interest and profits derived from the investment of moneys held in the Bond Fund during such
18 period less Operating Expenses for such period.

19 ***Operating Expenses*** means the current expenses incurred for operation, maintenance or
20 repair of the System of a non-capital nature, and shall include, without limiting the generality of
21 the foregoing, payments required by any wastewater treatment agreements, fuel expenses,
22 treatment, transmission and distribution expenses, customer accounts expenses, administrative
23 and general expenses, insurance premiums, lease rentals, legal, regulatory, and engineering

1 expenses, payments to pension, retirement, group life insurance, health and hospitalization funds
2 or other employee benefit funds which are properly chargeable to current operations, interest on
3 customers' deposits, payroll tax expenses and any other expenses required to be paid under the
4 provisions of this ordinance or by law or permitted by standard practices for public utility
5 systems similar to the properties and business of the System (adjusted to reflect public
6 ownership) and applicable in the circumstances. *Operating Expenses* shall not include any
7 allowances for depreciation or amortization or any principal, redemption price or purchase price
8 of, or interest on, any obligations of the Municipality incurred in connection with and payable
9 from Gross Revenues or Municipal Utility Service Assessments or any assessment levied in lieu
10 of municipal taxes.

11 *Original Issue Discount Bonds* means Parity Bonds which are sold at an initial public
12 offering price of less than 95% of their face value and which are specifically designated as
13 Original Issue Discount Bonds in the Series Ordinance authorizing their issuance.

14 *Outstanding* when used with reference to Parity Bonds means all Parity Bonds
15 authenticated and delivered under a Series Ordinance as of the time in question, except:

16 (a) All Parity Bonds theretofore cancelled or required to be cancelled under a
17 Series Ordinance;

18 (b) Parity Bonds for the payment or redemption of which provision has been
19 made in accordance with a Series Ordinance; provided that, if such Parity Bonds are being
20 redeemed, the required notice of redemption shall have been given or irrevocable instructions
21 therefor shall have been given to the Registrar; and

22 (c) Parity Bonds in substitution for which other Parity Bonds have been
23 authenticated and delivered pursuant to a Series Ordinance.

1 **Outstanding Parity Bonds** means the Municipality of Anchorage, Alaska, Wastewater
2 Revenue Bonds, 1999 described in the recitals of this ordinance.

3 **Owner** when all Bonds are held by a securities depository, means the beneficial owner of
4 the Bond in question determined under the rules of that securities depository; otherwise **Owner**
5 means Registered Owner.

6 **Parity Bonds** means the Outstanding Parity Bonds, the Bonds and any Future Parity
7 Bonds.

8 **Private Person** means any natural person engaged in a trade or business or any trust,
9 estate, partnership, association, company or corporation.

10 **Private Person Use** means the use of property in a trade or business by a Private Person if
11 such use is other than as a member of the general public. Private Person Use includes ownership
12 of the property by the Private Person as well as other arrangements that transfer to the Private
13 Person the actual or beneficial use of the property (such as a lease, management or incentive
14 payment contract or other special arrangement) in such a manner as to set the Private Person
15 apart from the general public. Use of property as a member of the general public includes
16 attendance by the Private Person at municipal meetings or business rental of property to the
17 Private Person on a day-to-day basis if the rental paid by such Private Person is the same as the
18 rental paid by any Private Person who desires to rent the property. Use of property by nonprofit
19 community groups or community recreational groups is not treated as Private Person Use if such
20 use is incidental to the governmental uses of property, the property is made available for such use
21 by all such community groups on an equal basis and such community groups are charged only a
22 *de minimis* fee to cover custodial expenses.

1 **Projects** means the improvements made and to be made to the System, as described in
2 Section 4 of this ordinance.

3 **Qualified Insurance** means any non-cancellable municipal bond insurance policy or
4 surety bond issued by any insurance company licensed to conduct an insurance business in any
5 state of the United States (or by a service corporation acting on behalf of one or more such
6 insurance companies).

7 **Qualified Letter of Credit** means any irrevocable letter of credit issued by a financial
8 institution, which institution maintains an office, agency or branch in the United States and as of
9 the time of issuance of such letter of credit, is rated in one of the two highest Rating Categories
10 by one or more of the Rating Agencies.

11 **Rate Covenant** has the meaning given such term in Section 16(a) hereof.

12 **Rate Stabilization Account** means the special fund authorized to be created pursuant to
13 Section 17 of Ordinance No. AO 99-119(S).

14 **Rating Agency** means Fitch, Moody's or S&P.

15 **Rating Category** means a generic rating category of the Rating Agency, without regard to
16 any refinement or gradation of such rating category by a numerical modifier or otherwise.

17 **Rebate Amount** means the amount(s) computed pursuant to the Arbitrage and Tax
18 Certification.

19 **Reciprocal Payment** means any payment to be made to, or for the benefit of, the
20 Municipality under a Derivative Product by the Reciprocal Payor.

21 **Reciprocal Payor** means any bank or corporation whose guarantor maintains or who
22 maintains for itself at least an "A" rating from each Rating Agency then maintaining a rating on

1 Outstanding Parity Bonds and which is a party to a Derivative Product and which is obligated to
2 make one or more Reciprocal Payments thereunder.

3 **Registered Owner** means the person named as the registered owner of a Bond in the Bond
4 Register. For so long as the Bonds are held in book-entry only form, DTC shall be deemed to be
5 the sole owner of the Bonds, except for purposes of Section 27 of this ordinance.

6 **Registrar** means U.S. Bank National Association, Seattle, Washington, and its successors
7 appointed pursuant to Section 6 hereof.

8 **Reserve Account** means the special fund of that name heretofore created and maintained as
9 described in Section 12 of Ordinance No. AO 99-119(S).

10 **Reserve Account Requirement** means an amount equal to the lesser of (i) 10% of the net
11 proceeds of each series of Parity Bonds, (ii) Maximum Annual Debt Service (with respect to the
12 series of Parity Bonds being secured by such Reserve Account Requirement), (iii) 1.25 times
13 average Annual Debt Service (with respect to the series of Parity Bonds being secured by such
14 Reserve Account Requirement) or (iv) such lesser amount as shall be required to maintain the
15 exemption of interest of any Parity Bonds from taxation under the Code.

16 **Rule** means the Commission's Rule 15c2-12 under the Securities Exchange Act of 1934,
17 as the same may be amended from time to time.

18 **S&P** means Standard & Poor's Ratings Services, a division of The McGraw-Hill
19 Companies, and its successors and assigns, except that if such corporation shall be dissolved or
20 liquidated or shall no longer perform the functions of a securities rating agency, then the term
21 S&P shall be deemed to refer to any other nationally recognized securities rating agency (other
22 than Moody's or Fitch) selected by the Chief Fiscal Officer and/or Acting Chief Fiscal Officer.

1 **Series Ordinance** means Ordinance No. AO 99-119(S), this ordinance and any future
2 ordinance of the Assembly authorizing the issuance of a series of Future Parity Bonds, as such
3 ordinance(s) may thereafter be amended or supplemented.

4 **SID** means a state information depository for the State of Alaska (if one is created in the
5 future).

6 **System** means the existing wastewater utility of the Municipality as the same may be
7 added to, improved and extended for as long as any of the Parity Bonds are outstanding, but shall
8 not include such wastewater treatment, transmission and distribution facilities that may be
9 hereafter purchased, constructed or otherwise acquired by the Municipality as a separate
10 wastewater utility system, the revenues of which may be pledged to the payment of bonds issued
11 to purchase, construct or otherwise acquire and improve such separate system.

12 **Underwriter** means Salomon Smith Barney, Inc., Seattle, Washington and other
13 underwriters, if any, which will be designated by the Chief Fiscal Officer and/or Acting Chief
14 Fiscal Officer.

15 **Wastewater Fund** means the special fund No. 550 maintained by the Municipality.

16 **Interpretation.**

17 (a) Unless the context otherwise indicates, words expressed in the singular
18 shall include the plural and vice versa and the use of the neuter, masculine, or feminine gender is
19 for convenience only and shall be deemed to mean and include the neuter, masculine or feminine
20 gender, as appropriate.

21 (b) Headings of articles and sections herein and the table of contents hereof
22 are solely for convenience of reference, do not constitute a part hereof and shall not affect the
23 meaning, construction or effect hereof.

1 (c) All references herein to "Articles," "Sections" and other subdivisions are
2 to the corresponding Articles, Sections or subdivisions of this ordinance; the words "herein,"
3 "hereof," "hereby," "hereunder" and other words of similar import refer to this ordinance as a
4 whole and not to any particular Article, Section or subdivision hereof.

5 Section 3. Compliance with Parity Conditions The Municipality has reserved the
6 right in Ordinance No. AO 99-119(S) to issue Future Parity Bonds upon compliance with certain
7 conditions as set forth in Section 19 of Ordinance No. AO 99-119(S) (the "Parity Conditions").

8 The Assembly hereby finds and determines as follows:

9 That the Municipality has not have been in default of its Rate Covenant for the
10 fiscal year immediately preceding the year of issuance of the Bonds (2002); and

11 That at the time of issuance of the Bonds, the Municipality shall have filed a
12 verification with the Bond Counsel confirming fulfillment of the Coverage Requirement,
13 commencing with the first full fiscal year following the Date of Commercial Operation of the
14 Projects and for the following two fiscal years (such certificate delivered by the Municipality
15 without a Consultant and based upon Net Revenues, from the financial statements of the
16 Municipality for the Base Period, corroborated by the most recently audited financial statements
17 of the System, audited by an independent certified public accounting firm.)

18 The Parity Conditions being complied with or assured, the Bonds shall have a lien and
19 charge upon Net Revenues for the payment of the principal thereof and interest thereon equal to
20 the lien and charge upon the Net Revenues of the Outstanding Parity Bonds.

21 The Municipality hereby further covenants and agrees that the Bonds will not be issued
22 and delivered to the purchasers thereof as a bond on a parity with the Outstanding Parity Bonds

1 until the certificate required herein, in form and contents satisfactory to the Municipality and its
2 Bond Counsel, has been filed with the Municipality.

3 Section 4. Authorization and Description of Bonds; Purposes. The Municipality
4 hereby authorizes the issuance and sale of not to exceed \$45,000,000 of wastewater revenue
5 bonds (the "Bonds"), to be designated "Municipality of Anchorage, Alaska, Wastewater Revenue
6 Bonds, 2003." The Bonds shall be issued in fully registered form in the denomination of \$5,000
7 or in integral multiples of \$5,000 within a maturity, provided no Bond shall represent more than
8 one maturity, and shall be numbered separately in the manner and with such additional
9 designation as the Registrar deems necessary for purposes of identification. The Bonds shall
10 bear interest from their date payable on the first days of each May and November, commencing
11 on the interest payment date identified in the contract of purchase for the Bonds approved by the
12 Chief Fiscal Officer and/or Acting Chief Fiscal Officer and shall mature on May 1 and bear
13 interest at the interest rates determined, all as provided in Section 23 of this ordinance.

14 The Bonds shall be deemed to mature on May 1 of the following years in the following
15 estimated principal amounts:

Year	Principal Amount
2004	\$ 895,000
2005	915,000
2006	915,000
2007	925,000
2008	935,000
2009	960,000
2010	985,000
2011	1,015,000
2012	1,045,000
2013	1,085,000
2014	1,125,000
2015	1,170,000
2016	1,215,000
2017	1,265,000
2018	1,320,000
2019	1,375,000
2020	1,435,000
2021	1,500,000
2022	1,570,000
2023	1,645,000
2024	1,725,000
2025	1,810,000
2026	1,900,000
2027	1,995,000
2028	2,095,000
2029	2,205,000
2030	2,315,000
2031	2,430,000
2032	2,550,000
2033	2,680,000

1 The proceeds of the Bonds shall be used to reimburse the Municipality for the costs of the
2 certain additions, betterments and improvements to the System undertaken as a part of the 2000,
3 2001 and 2002 capital improvement plans (approximately \$12.8 million); to pay a portion of the
4 costs of the System's 2001 through 2003 capital improvement plans (approximately \$14.5
5 million in general plant improvements, \$3.2 million in rehabilitation, repair and renovation of
6 existing facilities; \$6.2 million in trunk and interceptor facilities and \$100,000 in assessment

1 district projects (collectively, the “Projects”); to fund a portion of the Reserve Account
2 Requirement; to capitalize interest on a portion of the Bonds; and to pay costs of issuance.

3 The exact principal amount of the Bonds shall be determined at the time of marketing of
4 the Bonds and shall be consistent with the pricing guidelines established in Section 23 of this
5 ordinance.

6 Section 5. Place and Medium of Payment. The principal of and interest on the Bonds
7 shall be payable in lawful money of the United States of America. Interest on the Bonds shall be
8 calculated on the basis of a 360-day year and twelve 30-day months. For so long as all Bonds are
9 in book-entry only form, such payments of principal and interest thereon shall be made as
10 provided in the operational arrangements of DTC as referred to in the Letter of Representations.

11 In the event that the Bonds are no longer in book-entry only form, interest on the Bonds
12 shall be paid by check or draft mailed to the Registered Owners of the Bonds at the addresses for
13 such Registered Owners appearing on the Bond Register on the 15th day of the month preceding
14 the interest payment date. Principal of the Bonds shall be payable upon presentation and
15 surrender of such Bonds by the Registered Owners at the principal office of the Registrar.

16 Section 6. Registration, Transfer and Exchange.

17 (a) *Appointment of Registrar.* The Bonds shall be issued only in registered
18 form as to both principal and interest. U.S. Bank National Association, Seattle, Washington, is
19 appointed initially to serve as the authenticating agent, paying agent and bond registrar (the
20 “Registrar”). The Municipality is hereby authorized to enter into a written agreement with the
21 Registrar to evidence the Registrar’s commitment to act as Registrar in accordance with the
22 terms set forth in this ordinance and providing for the payment of the fees and expenses of the
23 Registrar. The Registrar may be removed at any time at the option of the Municipality upon

1 prior notice to the Registrar, the Bond Insurer, if any, DTC, each NRMSIR and SID, if any, and a
2 successor Registrar appointed. Each Registrar shall warrant at the time of acceptance of its
3 duties hereunder that it (i) is a trust company or bank in good standing located in or incorporated
4 under the laws of a state of the United States; (ii) is duly authorized to exercise trust powers; and
5 (iii) is subject to examination by a federal or state authority. No resignation or removal of the
6 Registrar shall be effective until a successor shall have been appointed and until the successor
7 Registrar shall have accepted the duties of the Registrar hereunder.

8 The Registrar shall keep, or cause to be kept, at its principal corporate trust office,
9 sufficient books for the registration and transfer of the Bonds which shall at all times be open to
10 inspection by the Municipality (the "Bond Register"). The Registrar is authorized, on behalf of
11 the Municipality, to authenticate and deliver Bonds transferred or exchanged in accordance with
12 the provisions of such Bonds and this ordinance and to carry out all of the Registrar's powers and
13 duties under this ordinance. The Registrar shall be responsible for its representations contained
14 in the Certificate of Authentication on the Bonds.

15 (b) *Letter of Representations/Book-Entry System.* In order to induce DTC to
16 accept the Bonds as eligible for deposit at DTC, the Municipality has executed and delivered the
17 Letter of Representations. The Bonds initially issued shall be held in book-entry only form by
18 DTC acting as depository pursuant to the terms and conditions set forth in the Letter of
19 Representations.

20 (c) *Municipality and Registrar Not Responsible for DTC.* Neither the
21 Municipality nor the Registrar will have any responsibility or obligation to DTC participants or
22 the persons for whom they act as nominees with respect to the Bonds in respect of the accuracy
23 of any records maintained by DTC or any DTC participant, the payment by DTC or any DTC

1 participant of any amount in respect of the principal or interest on the Bonds, any notice which is
2 permitted or required to be given to Registered Owners under this ordinance (except such notices
3 as shall be required to be given by the Municipality to the Registrar and the Bond Insurer, if any,
4 or to DTC), or any consent given or other action taken by DTC as the Registered Owner.

5 (d) *DTC as Registered Owner.* The Municipality and the Registrar, each in its
6 discretion, may deem and treat the Registered Owner as the absolute owner thereof for all
7 purposes, and neither the Municipality nor the Registrar shall be affected by any notice to the
8 contrary. Payment of any such Bond shall be made only as described in this section, but such
9 registration may be transferred as herein provided. All such payments made as described in this
10 section shall be valid and shall satisfy and discharge the liability of the Municipality upon such
11 Bond to the extent of the amount or amounts so paid. The Municipality and the Registrar shall
12 be entitled to treat DTC as the absolute owner of all Bonds for all purposes of this ordinance and
13 any applicable laws, notwithstanding any notice to the contrary received by the Registrar or the
14 Municipality. Neither the Municipality nor the Registrar will have any responsibility or
15 obligation, legal or otherwise, to any other party including DTC or its successor (or substitute
16 depository or its successor), except to the Registered Owners.

17 (e) *Use of DTC/Book-Entry System.*

18 (1) *Bonds Registered in the Name Designated by DTC.* The Bonds
19 shall be registered initially in the name of "Cede & Co.," as nominee of DTC, with one Bond for
20 each maturity in a denomination corresponding to the total principal therein designated to mature
21 on such date. Registered ownership of such immobilized Bonds, or any portions thereof, may not
22 thereafter be transferred except (i) to any successor of DTC or its nominee, *provided that any*
23 *such successor shall be qualified under any applicable laws to provide the service proposed to be*

1 provided by it; (ii) to any substitute depository appointed by the Municipality pursuant to
2 subparagraph (2) below or such substitute depository's successor; or (iii) to any person as
3 provided in paragraph (4) below.

4 (2) *Substitute Depository.* Upon the resignation of DTC or its
5 successor (or any substitute depository or its successor) from its functions as depository or a
6 determination by the Municipality that it is no longer in the best interest of owners of beneficial
7 interests in the Bonds to continue the system of book entry transfers through DTC or its
8 successor (or any substitute depository or its successor), the Municipality may thereafter appoint
9 a substitute depository. Any such substitute depository shall be qualified under any applicable
10 laws to provide the services proposed to be provided by it.

11 (3) *Issuance of New Bonds to Successor/Substitute Depository.* In the
12 case of any transfer pursuant to clause (i) or (ii) of paragraph (1) above, the Registrar shall, upon
13 receipt of all outstanding Bonds, together with a written request on behalf of the Municipality,
14 issue a single new Bond for each maturity of such Bonds then outstanding, registered in the name
15 of such successor or such substitute depository, or their nominees, as the case may be, all as
16 specified in such written request of the Municipality.

17 (4) *Termination of Book-Entry System.* In the event that (i) DTC or its
18 successor (or substitute depository or its successor) resigns from its functions as depository, and
19 no substitute depository can be obtained, or (ii) the Municipality determines that it is in the best
20 interest of the owners of beneficial interests in the Bonds that they be able to obtain Bond
21 certificates, the ownership of Bonds may then be transferred to any person or entity as herein
22 provided, and the Bonds shall no longer be held in book-entry only form. The Municipality shall
23 deliver a written request to the Registrar, together with a supply of definitive Bonds, to issue

1 Bonds as herein provided in any authorized denomination. Upon receipt of all then Outstanding
2 Bonds by the Registrar together with a written request on behalf of the Municipality to the
3 Registrar, new Bonds shall be issued in such denominations and registered in the names of such
4 persons as are requested in such written request.

5 (f) *Transfer or Exchange of Registered Ownership; Change in*
6 *Denominations.* If the Bonds are no longer held in immobilized, book-entry form, the registered
7 ownership of any Bond may be transferred or exchanged, but no transfer of any Bond shall be
8 valid unless it is surrendered to the Registrar with the assignment form appearing on such Bond
9 duly executed by the Registered Owner or such Registered Owner's duly authorized agent in a
10 manner satisfactory to the Registrar. Upon such surrender, the Registrar shall cancel the
11 surrendered Bond and shall authenticate and deliver, without charge to the Registered Owner or
12 transferee therefor, a new Bond (or Bonds at the option of the new Registered Owner) of the
13 same date, maturity and interest rate and for the same aggregate principal amount in any
14 authorized denomination, naming as Registered Owner the person or persons listed as the
15 assignee on the assignment form appearing on the surrendered Bond, in exchange for such
16 surrendered and canceled Bond. Any Bond may be surrendered to the Registrar and exchanged,
17 without charge, for an equal aggregate principal amount of Bonds of the same date, maturity and
18 interest rate, in any authorized denomination. The Registrar shall not be obligated to transfer or
19 exchange any Bond during the 15 days preceding any interest payment date or principal payment
20 date. No charge shall be imposed upon Registered Owners in connection with any transfer or
21 exchange, except for taxes or governmental charges related thereto.

1 (g) *Registration Covenant.* The Municipality covenants that, until all Bonds
2 have been surrendered and canceled, it will maintain a system for recording the ownership of
3 each Bond that complies with the provisions of Section 149 of the Code.

4 Section 7. Right of Prior Redemption and Purchase. The Bonds may be subject to
5 optional or mandatory redemption prior to their scheduled maturity as determined in accordance
6 with the terms of Section 23 of this ordinance. Notwithstanding the foregoing, the Municipality
7 reserves the right, whenever it has money in the Wastewater Fund over and above the amounts
8 necessary to satisfy the requirements of Section 12, First through Seventh, to use such money at
9 any time to purchase any of the Bonds for retirement, but only if the same may be purchased at a
10 price (including brokerage and similar charges) deemed advantageous to the Municipality by its
11 Chief Fiscal Officer and/or Acting Chief Fiscal Officer.

12 Section 8. Notice of Redemption. Notice of any intended redemption of Bonds shall
13 be given not less than 30 nor more than 45 days prior to the date fixed for redemption by United
14 States mail to Registered Owners of the Bonds to be redeemed at their addresses as they appear
15 on the Bond Register on the day the notice is mailed; *provided, however*, that for so long as the
16 Bonds are held in book-entry only form, all notices shall be given only in accordance with the
17 operational requirements then in effect at DTC, as referred to in the Letter of Representations.
18 Neither the Municipality nor the Registrar will provide any notices to Beneficial Owners. The
19 requirements of this section shall be deemed to be complied with when notice is mailed as herein
20 provided, whether or not it is actually received by the Registered Owner or any Beneficial
21 Owner.

22 All official notices of redemption shall be dated and shall state:

23 (a) the redemption date;

1 (b) the redemption price;

2 (c) if fewer than all Outstanding Bonds are to be redeemed, the identification
3 (and, in the case of partial redemption, the respective principal amounts per maturity) of the
4 Bonds to be redeemed;

5 (d) that on the redemption date the redemption price will become due and
6 payable upon each such Bond or portion thereof called for redemption, and that interest thereon
7 shall cease to accrue from and after said date; and

8 (e) the place where such Bonds are to be surrendered for payment of the
9 redemption price, which place shall be designated by the Registrar.

10 On or before any redemption date, the Municipality shall deposit with the Registrar an
11 amount of money sufficient to pay the redemption price of all the Bonds or portions of Bonds
12 which are to be redeemed on that date.

13 Official notice of redemption having been given as aforesaid, the Bonds or portions of
14 Bonds to be redeemed shall, on the redemption date, become due and payable at the redemption
15 price therein specified, and from and after such date (unless the Municipality shall default in the
16 payment of the redemption price) such Bonds or portions of Bonds shall cease to bear interest.
17 Upon surrender of such Bonds for redemption in accordance with said notice, such Bonds shall
18 be paid by the Registrar at the redemption price. Installments of interest due on or prior to the
19 redemption date shall be payable as herein provided for payment of interest. All Bonds which
20 have been redeemed shall be cancelled and destroyed by the Registrar and shall not be reissued.

21 In addition to the foregoing notice, further notice shall be given by the Registrar as set out
22 below, but no defect in said further notice nor failure to give all or any portion of such further

1 notice shall in any manner defeat the effectiveness of a call for redemption if notice thereof is
2 given as above prescribed.

3 Section 9. Form of Bonds. The Bonds shall be in substantially the following form
4 with such additions and modifications as shall be appropriate to reflect the final negotiated terms
5 of the Bonds.

6 UNITED STATES OF AMERICA
7

8 No. _____ \$ _____
9

10 STATE OF ALASKA
11 ANCHORAGE, ALASKA
12

13 WASTEWATER REVENUE BOND, 2003
14

15 INTEREST RATE: MATURITY DATE: CUSIP NO.:

16
17 REGISTERED OWNER: CEDE & CO.
18

19 PRINCIPAL AMOUNT:
20

21 Anchorage, Alaska (the "Municipality"), a municipal corporation of the State of Alaska,
22 hereby acknowledges itself to owe and for value received promises to pay to the Registered
23 Owner identified above, or its registered assigns, solely out of the special fund of the
24 Municipality known as the "Wastewater Revenue Bond Fund" (the "Bond Fund") created by
25 authority of Ordinance No. AO 2003-104 of the Municipality (the "Bond Ordinance") on the
26 Maturity Date identified above, the Principal Amount indicated above together with interest
27 thereon at the Interest Rate shown above, payable on _____ 1, 2003, and semiannually
28 thereafter on the first days of May and November, or until such Principal Amount shall have
29 been paid or duly provided for. Payments of principal of and interest on this bond shall be made
30 as provided in The Depository Trust Company Operational Arrangements Memorandum dated
31 December 12, 1994, as amended from time to time and referred to in the Blanket Issuer Letter of
32 Representations dated July 1, 1995, between the Municipality and The Depository Trust
33 Company (together, the "Letter of Representations") for so long as this bond is held in book entry
34 only form. U.S. Bank National Association, Seattle, Washington has been appointed as the
35 authentication agent, paying agent and registrar for the bonds of this issue (the "Registrar").
36

37 This bond is one of an issue of bonds (the "Bonds") of like date and tenor except as to
38 number, rate of interest, and date of maturity, aggregating the principal sum of \$ _____ and
39 is issued pursuant to the Constitution and statutes of the State of Alaska and the Home Rule

1 Charter and duly adopted ordinances and resolutions of the Municipality, including particularly,
2 the Bond Ordinance for the purpose of paying the costs of and reimbursing the Municipality for
3 costs of capital improvements to the Municipality's wastewater utility (the "System"). The
4 definitions contained in the Bond Ordinance shall apply to capitalized terms contained herein.
5

6 The bonds of this issue are subject to optional and/or mandatory redemption in the
7 manner, at the times and at the redemption prices determined as provided in the Bond Ordinance.
8

9 The Municipality does hereby pledge and bind itself to set aside out of Gross Revenues
10 and the money in the Wastewater Fund and to pay into the Bond Fund the various amounts
11 required by the Bond Ordinance to be paid into and maintained in said fund all within the times
12 provided in the Bond Ordinance. The Municipality has further pledged and bound itself to pay
13 into such Wastewater Fund, as collected, all Gross Revenues.
14

15 The pledge of Gross Revenues and moneys in the Wastewater Fund contained herein and
16 in the Bond Ordinance may be discharged by making provision, at any time, for the payment of
17 the principal of and interest on this bond in the manner provided in the Bond Ordinance.
18

19 The amounts so pledged to be paid out of said Wastewater Fund into the Bond Fund are
20 hereby declared to be a lien and charge upon the money in the Wastewater Fund and Gross
21 Revenues superior to all other charges of any kind or nature except Operating Expenses
22 (specifically excluding Municipal Utility Service Assessments and successor payments in lieu of
23 property taxes) and equal in lien to the Municipality's outstanding Wastewater Revenue Bonds,
24 1999 issued under date of October 15, 1999 and any revenue bonds of the Municipality issued in
25 the future on a parity therewith and herewith.
26

27 It is hereby certified that all acts, conditions and things required by the Constitution and
28 statutes of the State of Alaska and the Home Rule Charter, resolutions and ordinances of the
29 Municipality to be done precedent to and in the issuance of this bond have happened, been done
30 and performed.
31

1 IN WITNESS WHEREOF, Anchorage, Alaska, has caused this bond to be executed with
2 the manual or facsimile signature of its Municipal Manager or Mayor and to be countersigned
3 with the manual or facsimile signature of its Clerk and the official seal of the Municipality to be
4 impressed or imprinted hereon, this _____ day of May, 2003.

5
6 ANCHORAGE, ALASKA

7
8
9 By /s/manual or facsimile signature
10 [Municipal Manager][Mayor]

11
12 Countersigned:

13
14
15 /s/manual or facsimile signature
16 Clerk

17
18 (Form of Certificate of Authentication)

19
20 Date of Authentication:

21
22 This bond is one of the Municipality of Anchorage, Alaska, Wastewater Revenue Bonds,
23 2003, described in and issued pursuant to the within mentioned Bond Ordinance.

24
25 U.S. BANK NATIONAL ASSOCIATION,
26 Registrar

27
28
29 By _____
30 Authorized Signer

31
32 In the event the Bonds are no longer held in book-entry only form, the form of Bonds may
33 be modified to conform to printing requirements and the terms of this ordinance.

34 Section 10. Execution of Bonds. The Bonds shall be executed on behalf of the
35 Municipality with the manual or facsimile signature of the Municipal Manager or Mayor of the
36 Municipality, attested with the manual or facsimile signature of the Municipal Clerk and
37 authenticated by the manual signature of an authorized representative of the Registrar. The
38 official seal of the Municipality shall be impressed or imprinted or otherwise reproduced on each

1 Bond. In case any of the officers who shall have signed, attested or registered any of the Bonds
2 shall cease to be such officer before such Bonds have been actually issued and delivered, such
3 Bonds shall be valid nevertheless and may be issued by the Municipality with the same effect as
4 though the persons who had signed, attested or registered such Bonds had not ceased to be such
5 officers.

6 Section 11. Lost, Stolen, Destroyed or Mutilated Bonds. In case any Bonds shall at
7 any time become mutilated or be lost, stolen or destroyed, the Municipality in the case of such a
8 mutilated Bond shall, and in the case of such a lost, stolen or destroyed Bond in its discretion
9 may, execute and deliver a new Bond of the same interest rate and maturity and of like tenor and
10 effect in exchange or substitution for and upon the surrender and cancellation of such mutilated
11 Bond, or in lieu of or in substitution for such destroyed, stolen or lost Bond, or if such stolen,
12 destroyed or lost Bond shall have matured, instead of issuing a substitute therefor, the
13 Municipality may at its option pay the same without the surrender thereof. Except in the case
14 where a mutilated Bond is surrendered, the applicant for the issuance of a substitute Bond shall
15 furnish to the Registrar evidence satisfactory to it of the theft, destruction or loss of the original
16 Bond, and of the ownership thereof, and also such security and indemnity as may be required by
17 the Municipality, and no such substitute Bond shall be issued unless the applicant for the
18 issuance thereof shall reimburse the Municipality for the expenses incurred by the Municipality
19 in connection with the preparation, execution, issuance and delivery of the substitute Bond, and
20 any such substitute Bond shall be equally and proportionately entitled to the security of this
21 ordinance with all other Bonds issued hereunder, whether or not the Bond alleged to have been
22 lost, stolen or destroyed shall be found at any time or be enforceable by anyone.

1 Section 12. Wastewater Fund and Priority of Use of Gross Revenues. There has
2 heretofore been created and maintained by the Municipality a special fund No. 550 known as the
3 “Wastewater Fund.” Gross Revenues and the moneys in the Wastewater Fund are hereby
4 pledged to and shall be used only for the following purposes and in the following order of
5 priority:

6 First, to pay Operating Expenses except Municipal Utility Service Assessments or
7 any assessment levied in lieu of municipal taxes;

8 Second, to make all payments, including sinking fund payments, required to be
9 made into the Bond Fund for the payment of the principal of and interest on any Parity Bonds
10 and any publicly offered revenue bonds issued on a parity of lien therewith;

11 Third, to make all payments required to be made into the Reserve Account;

12 Fourth, to make all payments, including sinking fund payments, required to be
13 made into a subordinate lien debt service account for the payment of the principal of and interest
14 on any bonds subordinate to the Bonds;

15 Fifth, to make all payments required to be made into a reserve account for bonds
16 subordinate to the Bonds;

17 Sixth, to make all required payments of Municipal Utility Service Assessments or
18 other assessments levied in lieu of municipal taxes;

19 Seventh, to repay all loans received by the Municipality from the Alaska Clean
20 Water Fund; and

21 Eighth, to make payments not otherwise made as Operating Expenses into any
22 fund or account to pay or secure the payment of debt service on general obligation bonds issued
23 for System purposes, to pay the costs of additions, betterments, improvements and repairs to and

1 extensions and replacements of the System, to make legally authorized payments into any other
2 fund or account of the Municipality, to purchase or redeem wastewater revenue bonds or notes of
3 the Municipality, or for any other proper purpose in connection with the operation of the System.

4 Section 13. Bond Fund and Account Therein. There has heretofore been created
5 pursuant to Ordinance No. AO-119(S) and maintained a special fund of the Municipality known
6 as the “Wastewater Revenue Bond Redemption Fund” (the “Bond Fund”), which fund is a trust
7 fund to be drawn upon for the sole purpose of paying the principal of and interest and premium,
8 if any, on all Parity Bonds. The Bond Fund includes a special account therein to be designated as
9 the Reserve Account.

10 The Municipality hereby obligates and binds itself irrevocably to set aside and to pay (to
11 the extent not otherwise provided) into the Bond Fund, certain fixed amounts from Net
12 Revenues, without regard to any fixed proportion of said revenues, sufficient to pay the principal
13 of and premium, if any, and interest on all Parity Bonds from time to time outstanding as the
14 same respectively become due and payable either at the maturity thereof or in accordance with
15 the terms of any sinking fund provided for the retirement of term Parity Bonds. The payments
16 into the Bond Fund for the payment of the Parity Bonds shall constitute a charge and lien upon
17 Net Revenues of equal rank with the charge and lien on said Net Revenues for the payments
18 required to be made into the Bond Fund for the payment of the principal of, premium, if any, and
19 interest on any Future Parity Bonds.

20 The Municipality hereby irrevocably obligates and binds itself to set aside and pay into
21 the Bond Fund out of Net Revenues or out of any other moneys legally available therefor on or
22 before the date on which any payment of Annual Debt Service is due such amounts as will be

1 sufficient to pay Annual Debt Service scheduled to become due on the date of maturity of such
2 Parity Bonds.

3 The Bond Fund shall be drawn upon solely for the purpose of paying the principal of and
4 premium, if any, and interest on Parity Bonds. Moneys set aside from time to time with the
5 Registrar for such payments shall be held in trust for the owners of the Parity Bonds in respect of
6 which the same shall have been so set aside. Until so set aside, all moneys in the Bond Fund
7 shall be held in trust for the benefit of the owners of all Parity Bonds at the time outstanding
8 equally and ratably.

9 Section 14. Reserve Account. The Municipality hereby covenants and agrees that it
10 will set aside and pay into the Reserve Account from proceeds of the Bonds or otherwise, an
11 amount, so that the amount on deposit in the Reserve Account will be at least equal to the
12 Reserve Account Requirement no later than the date of issuance of the Parity Bonds.

13 The Reserve Account Requirement may be maintained by deposits of cash, a Qualified
14 Letter of Credit or Qualified Insurance, or a combination of the foregoing. To the extent that the
15 Municipality obtains a Qualified Letter of Credit or Qualified Insurance in substitution for cash
16 or securities in the Reserve Account, all or a portion of the money on hand in the Reserve
17 Account shall be transferred to the fund or account, specified by the Chief Fiscal Officer and/or
18 Acting Chief Fiscal Officer within the limitations permitted by Section 19 of this ordinance. In
19 computing the amount on hand in the Reserve Account, Qualified Insurance and/or a Qualified
20 Letter of Credit shall be valued at the face amount thereof, and all other obligations purchased as
21 an investment of moneys therein shall be valued at cost. As used herein, the term "cash" shall
22 include U.S. currency, cash equivalents and evidences thereof, including demand deposits,

1 certified or cashier's check; and the deposit to the Reserve Account may be satisfied by the
2 transfer of qualified investments to such account.

3 The Municipality further covenants and agrees that in the event it issues any Future Parity
4 Bonds hereafter it will provide in each ordinance authorizing the same that approximately equal
5 annual payments will be made into the Reserve Account out of the Wastewater Fund so that
6 within five years or less from the date of issuance of such Parity Bonds, the total amount of such
7 payments together with the money already in the Reserve Account, including any amounts
8 funded, will be equal to the Reserve Account Requirement.

9 The Municipality further covenants and agrees that when said required amounts have
10 been deposited in the Reserve Account it will at all times maintain therein an amount at least
11 equal to the Reserve Account Requirement until there is a sufficient amount in the Bond Fund,
12 including the Reserve Account, to pay the principal of, premium, if any, and interest on all
13 outstanding Parity Bonds, at which time the money in the Reserve Account may be used to pay
14 such principal, premium, if any, and interest; *provided, however*, that moneys in the Reserve
15 Account may be withdrawn, or set aside in a special account in the Bond Fund pursuant to
16 Section 22 of this ordinance, to pay (with or without other available funds) the principal,
17 premium, if any, and interest on all of the outstanding bonds of any single issue or series payable
18 out of the Bond Fund, so long as the moneys remaining on deposit in the Reserve Account are at
19 least equal to the Reserve Account Requirement with respect to all of the remaining Parity Bonds
20 then Outstanding. The Municipality may, from time to time, transfer from the Reserve Account
21 to the Bond Fund amounts in excess of the Reserve Account Requirement.

22 In the event there shall be a deficiency in the Bond Fund for meeting maturing
23 installments of either principal of or interest on, or mandatory redemption requirements on,

1 Parity Bonds, such deficiency shall be made up from the Reserve Account by the withdrawal of
2 cash therefrom, and then from a drawing on any Qualified Letter of Credit or Qualified
3 Insurance. Any deficiency created in the Reserve Account by reason of any such withdrawal
4 shall then be made up from the money in the Wastewater Fund first available therefor after
5 making necessary provision for the required payments into the Bond Fund. Investments in the
6 Reserve Account shall be valued at amortized cost except that in the event of a deficiency in the
7 Reserve Account caused by the withdrawal or transfer of moneys therefrom, the amount of such
8 deficiency shall be determined by valuing all investments in the Reserve Account at the then
9 market value.

10 All money in the Reserve Account may be kept in cash or invested in Government
11 Obligations. Such investments shall mature not later than the last maturity of outstanding Parity
12 Bonds outstanding at the time of said purchase. Interest on any such investments and/or any
13 profits realized from the sale thereof shall be deposited in and become a part of the Reserve
14 Account.

15 Section 15. Adequacy of Net Revenues. The corporate authorities of the Municipality
16 hereby declare that in fixing the amounts to be paid into the Bond Fund hereinbefore provided for
17 they have exercised due regard for Operating Expenses and have not obligated the Municipality
18 to set aside and pay into said Bond Fund a greater amount of Net Revenues than in their
19 judgment will be available over and above Operating Expenses and such other payments.

20 Section 16. Specific Covenants. The Municipality hereby makes the following
21 covenants with the Registered Owner of each of the outstanding Parity Bonds for as long as any
22 of the same remain outstanding.

1 (a) *Rate Covenant.* The Municipality will establish, maintain and collect rates
2 and charges for wastewater treatment service and all other services or facilities furnished or
3 supplied by the System in each fiscal year that will provide Net Revenues in an amount equal to
4 at least 1.15 times the Annual Debt Service Requirement for such year on all outstanding Parity
5 Bonds.

6 (b) *Maintenance of System.* The Municipality will at all times maintain,
7 preserve and keep the System and every part and parcel thereof in good repair, working order and
8 condition; will from time to time make or cause to be made all necessary and proper repairs,
9 renewals and replacements thereto so that the business carried on in connection therewith may be
10 properly and advantageously conducted; and will at all times operate the System in an efficient
11 manner and at a reasonable cost.

12 (c) *Insurance.* The Municipality will at all times carry fire insurance and such
13 other forms of insurance on such of the buildings, equipment, property and facilities of the
14 System as are ordinarily insured in such amounts and with such deductibles as under good
15 business practice are ordinarily carried on such buildings, equipment, property and facilities.

16 (d) *Use of Money in Wastewater Fund.* The Municipality will not expend any
17 of the money in the Wastewater Fund for any extensions or betterments which are not
18 economically sound and which will not contribute to the operation of the System in an efficient
19 and economical manner unless such extensions or betterments are required by law or by any
20 regulatory body having valid jurisdiction.

21 (e) *Books and Accounts.* The Municipality will keep and maintain proper
22 books and accounts with respect to the operation of the System in such manner as prescribed by
23 any authorities having jurisdiction over the System; will cause its books and accounts to be

1 audited annually by a certified public accountant, copies of which audits shall, upon request, be
2 furnished to the purchaser or purchasers or owners of the Parity Bonds. Said audit shall show
3 whether or not the Municipality has in all respects performed and complied with the covenants
4 set forth in this ordinance, including the payments into the Bond Fund and Reserve Account
5 herein provided for.

6 (f) *Bonded Employees and Agents.* All employees and agents of the
7 Municipality collecting or handling money of the Municipality in connection with the
8 management and operation of the System shall be bonded in an amount commensurate with the
9 funds they handle and in an amount sufficient to protect the Municipality from loss.

10 (g) *Disposal of Properties.* The Municipality will not mortgage, sell, lease, or
11 in any manner encumber or dispose of all or substantially all the property of the System
12 (voluntarily or involuntarily), unless provision is made for payment into the Bond Fund of a sum
13 sufficient to pay the principal of, premium, if any, and interest on all outstanding bonds payable
14 therefrom, nor will it mortgage, sell, lease, or in any manner encumber or dispose of (including
15 but not limited to a disposition by transfer to another public or private organization) voluntarily
16 or involuntarily any part of the System that is used, useful and material to the operation of the
17 System unless

18 (i) the Municipality certifies, based upon reasonable expectations, that
19 the remaining assets of the System shall be sufficient to continue regular operations of the
20 Municipality on a financially sound basis for a period of at least five years, and

21 (ii) provision is made for replacement thereof or for payment into the
22 Bond Fund of the total amount of revenue received which shall not be less than an amount which
23 shall bear the same ratio to the amount of outstanding Parity Bonds as the greater of:

1 (1) the Net Revenues for such outstanding Parity Bonds for the
2 12 months preceding such sale, lease, encumbrance or disposal from the portion of the System
3 sold, leased, encumbered or disposed of bears to the Net Revenues for such Parity Bonds from
4 the entire System for the same period;

5 (2) the Gross Revenues for the 12 months preceding such sale,
6 lease, encumbrance or disposal from the portion of the System sold, leased, encumbered or
7 disposed of bears to the Gross Revenues of the System for the same period;

8 (3) the proportion of assets (on a depreciated basis) allocable to
9 the assets being sold, leased, encumbered or disposed of bears to the total assets of the System; or

10 (4) the proportion of customers of the Municipality allocable to
11 the assets being sold, leased, encumbered or disposed of bears to the total number of customers
12 of the System, *provided, however*, that the Municipality may dispose of any portion of the
13 facilities of the System up to an aggregate of five percent of the book value of the total assets of
14 the System without the requirement for any deposit to the Bond Fund as hereinabove provided.

15 Any such moneys so paid into the Bond Fund shall be used to retire such outstanding
16 Parity Bonds at the earliest possible date. Any money received by the Municipality as
17 condemnation awards, insurance proceeds or the proceeds of sale, if not deposited to the Bond
18 Fund, shall be used for the replacement of facilities of the System.

1 Section 17. Tax Covenants.

2 (a) *Covenants Regarding Arbitrage and Private Activity Bonds.* The
3 Municipality hereby covenants that it will not make any use of the proceeds of sale of the Bonds
4 or any other funds of the Municipality which may be deemed to be proceeds of such Bonds
5 pursuant to Section 148 of the Code which will cause the Bonds to be “arbitrage bonds” within
6 the meaning of said section and the applicable regulations thereunder. The Municipality will
7 comply with the requirements of Section 148 of the Code (or any successor provision thereof
8 applicable to the Bonds) and the applicable regulations thereunder throughout the term of the
9 Bonds.

10 The Municipality will take any action determined by the Municipality, after consultation
11 with its bond counsel, to be legal and practicable and required to be taken by the Municipality
12 under future federal laws or regulations in order to maintain the exemption of the interest on the
13 Bonds from federal income taxation.

14 (b) *Arbitrage Rebate.* The Municipality shall compute and pay the Rebate
15 Amount, if necessary, as provided in the Arbitrage and Tax Certification.

16 (c) *Qualification Under Section 265(b) of the Code.* The Municipality has not
17 designated the Bonds as “qualifying tax-exempt obligations” pursuant to Section 265(b) of the
18 Code for investment by financial institutions. The Municipality anticipates that it will issue more
19 than \$10,000,000 in tax exempt obligations during 2003.

20 (d) *Private Person Use Limitation for Bonds.* The Municipality covenants
21 that for as long as the Bonds are outstanding, it will not permit:

22 (1) More than 10% of the Net Proceeds of the Bonds to be used for
23 any Private Person Use; and

1 (2) More than 10% of the principal or interest payments on the Bonds
2 in a Bond Year to be directly or indirectly: (A) secured by any interest in property used or to be
3 used for any Private Person Use or secured by payments in respect of property used or to be used
4 for any Private Person Use, or (B) derived from payments (whether or not made to the
5 Municipality) in respect of property, or borrowed money, used or to be used for any Private
6 Person Use.

7 The Municipality further covenants that, if:

8 (3) More than five percent of the Net Proceeds of the Bonds are to be
9 used for any Private Person Use; and

10 (4) More than five percent of the principal or interest payments on the
11 Bonds in a Bond Year are (under the terms of this ordinance or any underlying arrangement)
12 directly or indirectly:

13 (A) secured by any interest in property used or to be used for
14 any Private Person Use or secured by payments in respect of property used or to be used for any
15 Private Person Use, or

16 (B) derived from payments (whether or not made to the
17 Municipality) in respect of property, or borrowed money, used or to be used for any Private
18 Person Use, then, (i) any Private Person Use of the Projects described in subsection (3) hereof or
19 Private Person Use payments described in subsection (4) hereof that is in excess of the five
20 percent limitations described in such subsections (3) or (4) will be for a Private Person Use that
21 is related to the state or local governmental use of the Projects, and (ii) any Private Person Use
22 will not exceed the amount of Net Proceeds of the Bonds used for the state or local governmental
23 use portion of such Projects to which the Private Person Use of such portion of the Projects

1 relates. The Municipality further covenants that it will comply with any limitations on the use of
2 the Projects by other than state and local governmental users that are necessary, in the opinion of
3 its bond counsel, to preserve the tax exemption of the interest on the Bonds. The covenants of
4 this section are specified solely to assure the continued exemption from regular income taxation
5 of the interest on the Bonds.

6 Section 18. Rate Stabilization Account. The Municipality has heretofore authorized,
7 by Section 17 of Ordinance No. 99-119(S), to be created a separate fund of the Municipality
8 designated as the "Rate Stabilization Account" in order to even out fluctuations in Net Revenues
9 and help to alleviate the need for short-term rate adjustments. Money in the Rate Stabilization
10 Account will be transferred as determined from time to time by the Municipality. The
11 Municipality may make payments into the Rate Stabilization Account from the Wastewater Fund
12 at any time. Money in the Rate Stabilization Account may be withdrawn at any time and used for
13 the purpose for which the Gross Revenue may be used. Amounts withdrawn from the Rate
14 Stabilization Account shall increase Gross Revenue for the period for which they are withdrawn,
15 and amounts deposited in the Rate Stabilization Account shall reduce Gross Revenue for the
16 period for which they are deposited. Credits to or from the Rate Stabilization Account that occur
17 within 90 days after the end of a Fiscal Year may be treated as occurring within such Fiscal Year.
18 Earnings on the Rate Stabilization Account shall be credited to the Wastewater Fund.

19 Section 19. Derivative Products. The following shall be conditions precedent to the
20 use of any Derivative Product on a parity with Bonds under this ordinance:

21 (a) *General Parity Tests.* The Derivative Product must satisfy the
22 requirements for Future Parity Bonds described in Section 20 of this ordinance.

1 (b) *Notice to Rating Agencies.* Before entering into any Derivative Product,
2 the Municipality shall provide prior written notice to each Rating Agency then maintaining a
3 rating with respect to Parity Bonds, together with drafts of the documentation evidencing the
4 Derivative Product.

5 (c) *Opinion of Bond Counsel.* The Municipality shall obtain an opinion of its
6 Bond Counsel on the due authorization and execution of such Derivative Product opining that the
7 action proposed to be taken is authorized or permitted by this ordinance or the applicable
8 provisions of any Series Ordinance and will not adversely affect the exclusion from regular
9 federal income tax of the interest on any Outstanding Parity Bonds.

10 (d) *Payments.* Each Derivative Product shall set forth the manner in which
11 the Municipality Payments and Reciprocal Payments are to be calculated and a schedule of
12 Derivative Payment Dates.

13 (e) *Series Ordinances to Govern Derivative Products.* Prior to entering into a
14 Derivative Product, the Municipality shall adopt a Series Ordinance, which shall:

15 (i) create and establish a Derivative Product Account or provide for
16 some other way to account for the use of a Derivative Product; establish general provisions for
17 the retention of Net Revenues in amounts sufficient to make, when due, Municipality Payments;

18 (ii) establish general provisions for the rights of providers of
19 Derivative Products or Derivative Facilities; and

20 (iii) set forth such other matters as the Municipality deems necessary or
21 desirable in connection with the management of Derivative Products as are not clearly
22 inconsistent with the provisions of this ordinance.

1 This ordinance may be amended in the future to reflect the lien position and priority of
2 any payments made in connection with a Derivative Product; *provided, however*, that no
3 amendment shall be made which permits a payment under a Derivative Product to constitute a
4 lien on Gross Revenue superior to that of Parity Bonds, and, *provided, further*, that termination
5 payments under Derivative Products may not attain a parity lien with Parity Bonds.

6 Section 20. Future Parity Bonds.

7 (a) *Limitations on Issuance of Bonds.* Except as provided in subsection (b)
8 below, the Municipality shall not issue any series of Parity Bonds or incur any additional
9 indebtedness with a parity lien or charge on Net Revenues (*i.e.*, on a parity of lien with Parity
10 Bonds at the time Outstanding) unless:

11 (i) the Municipality shall not have been in default of its Rate
12 Covenant for the immediately preceding fiscal year, and

13 (ii) there shall have been filed with Bond Counsel a certificate
14 (prepared as described in subsection (c) or (d) below) demonstrating fulfillment of the Coverage
15 Requirement, commencing with the first full fiscal year following the later of (1) the Date of
16 Commercial Operation of the Facilities to be financed with the proceeds of the Parity Bonds or
17 (2) the date on which any portion of interest on the series of Parity Bonds then being issued no
18 longer will be paid from the proceeds of such series of Parity Bonds and for the following two
19 fiscal years.

20 (b) *No Certificate Required.* The certificate described in the foregoing
21 subsection (a)(ii) shall not be required as a condition to the issuance of Bonds:

22 (i) if the Parity Bonds being issued are for the purpose of refunding
23 Outstanding Bonds upon compliance with the provisions of subsection (e); or

1 (ii) if the Parity Bonds are being issued to pay costs of construction of
2 facilities of the System for which Parity Bonds have been issued previously and the principal
3 amount of such Parity Bonds being issued for completion purposes does not exceed an amount
4 equal to an aggregate of 15% of the principal amount of Parity Bonds theretofore issued for such
5 facilities and reasonably allocable to the facilities to be completed as shown in a written
6 certificate of the Chief Fiscal Officer and/or Acting Chief Fiscal Officer, and there is delivered to
7 Bond Counsel a Consultant's certificate stating that the nature and purpose of such Facilities has
8 not materially changed.

9 (c) *Certificate of the Municipality Without A Consultant.* If required pursuant
10 to the foregoing subsection (a)(ii), a certificate may be delivered by the Municipality without a
11 Consultant if Net Revenues, based upon the financial statements of the Municipality for the Base
12 Period, corroborated by the most recently audited financial statements of the System, audited by
13 an independent certified public accounting firm, demonstrate that the Coverage Requirement will
14 be fulfilled commencing with the first full fiscal year following the later of (i) the Date of
15 Commercial Operation of the facilities to be financed with the proceeds of the Bonds as
16 reasonably estimated by the Municipality, or (ii) the date on which any portion of interest on the
17 series of Parity Bonds then being issued will not be paid from the proceeds of such series of
18 Parity Bonds and for the following two fiscal years; provided, however, the certificate of the
19 Municipality may make an adjustment to Net Revenues to reflect rate increases fully approved
20 and in effect to the extent that the revenue impact is not fully reflected in the audited financial
21 statements.

22 (d) *Certificate of a Consultant.* Unless compliance with the requirements of
23 subsection (a)(ii) have been otherwise satisfied (as provided in (b) or (c) above), compliance with

1 the Coverage Requirement of this Section 20 shall be demonstrated conclusively by a certificate
2 of a Consultant.

3 In making the computations of Net Revenues for the purpose of certifying compliance
4 with the Coverage Requirement of this Section 20 the Consultant shall use as a basis the Net
5 Revenues for the Base Period.

6 In making such computations the Consultant shall make such adjustments as follows:

7 (i) The Net Revenues derived from those customers of the System that
8 have become customers during such Base Period or thereafter and prior to the date of such
9 certificate, adjusted to reflect an estimate of a full year's Net Revenues from each such customer
10 to the extent such Net Revenues were not previously included.

11 (ii) The estimated annual Net Revenues to be derived from any person,
12 firm, association, private or municipal corporation under any executed contract for wastewater
13 treatment, which Net Revenues were not previously included in any of the sources of Net
14 Revenues.

15 (iii) The estimated annual Net Revenues to be derived from the
16 operation of any additions or improvements to or extensions of the System under construction
17 but not completed at the time of such certificate and not being paid for out of the proceeds of sale
18 of such Parity Bonds being issued, and which Net Revenues were not otherwise included in any
19 of the sources of Net Revenues.

20 (iv) The estimated annual Net Revenues to be derived from the
21 operation of any additions and improvements to or extensions of the System being paid for out of
22 the proceeds of sale of such Parity Bonds being issued.

1 (v) The estimated additional annual Net Revenues to be derived from
2 rate increases that have been fully approved by the regulatory authority with jurisdiction to
3 become effective thereafter if there has been any change in such rates and charges put into effect
4 or so approved during or after such 12-consecutive month rate period.

5 In the event the Municipality will not derive any Gross Revenues as a result of the
6 construction of the additions, improvements or extensions being or to be made to the System
7 within the provisions of subparagraphs (iii) and (iv) immediately above, the estimated Operating
8 Expenses of such additions, improvements and extensions shall be deducted from such Net
9 Revenues.

10 The computation of Net Revenues shall be adjusted to reflect the wastewater rates and
11 charges effective on the date of such certificate or approved by the regulatory authority with
12 jurisdiction to become effective thereafter if there has been any change in such rates and charges
13 put into effect or so approved during or after the Base Period.

14 (e) *Refunding of Parity Bonds.* Parity Bonds may be issued at any time for
15 the purpose of refunding (including by purchase) Parity Bonds, including amounts to pay
16 principal thereof and redemption premium, if any, and interest thereon to the date of redemption
17 (or purchase) and the expenses of issuing such Parity Bonds to purchase or refund the same and
18 of effecting such refunding upon delivery of a certificate as provided in (d) above. Such
19 refunding Parity Bonds also may be issued without a certificate if the Maximum Annual Debt
20 Service on all Parity Bonds to be Outstanding after the issuance of the refunding Parity Bonds
21 shall not be greater than the Maximum Annual Debt Service were such refunding not to occur.

22 (f) *Refunding of Other Bonds.* Parity Bonds may be issued at any time for
23 the purpose of refunding (including by purchase) any other bonds or obligations of the

1 Municipality, including amounts to pay principal thereof and redemption premium, if any, and
2 interest thereon to the date of redemption of such bonds (or purchase) and the expenses of issuing
3 the Parity Bonds to purchase or refund the same and of effecting such refunding; *provided,*
4 *however,* that prior to the issuance of such Parity Bonds the Municipality must provide a
5 certificate if required by (d) above.

6 (g) *Refunding by Necessity.* Parity Bonds may be issued for the purpose
7 of refunding (including by purchase) at any time within one year prior to maturity, any Parity
8 Bonds for the payment of which sufficient Net Revenues or other moneys are not available,
9 without the requirement of a certificate pursuant to (d) above.

10 Section 21. Liens Subordinate to Bonds. Nothing herein contained shall prevent the
11 Municipality from issuing revenue bonds or other obligations which are a charge upon the Gross
12 Revenue junior or inferior to the payments required by this ordinance to be made out of such
13 Gross Revenue to pay and secure the payment of any Parity Bonds.

14 Section 22. Defeasance. In the event that money and/or Acquired Obligations
15 maturing at such time or times and bearing interest to be earned thereon in amounts sufficient to
16 redeem and retire any or all of the Bonds in accordance with their terms are set aside in a special
17 trust account in the Bond Fund to effect such redemption or retirement and such money and the
18 principal of and interest on such obligations are irrevocably set aside and pledged for such
19 purpose, then no further payments need be made into the Bond Fund for the payment of the
20 principal of and interest on such Bonds, and such Bonds shall cease to be entitled to any lien,
21 benefit or security of this ordinance except the right to receive the funds so set aside and pledged,
22 and such Bonds shall be deemed not to be outstanding hereunder or under any other Series
23 Ordinance.

1 Section 23. Sale of Bonds. The Bonds shall be sold at negotiated sale to the
2 Underwriter. The Chief Fiscal Officer and/or Acting Chief Fiscal Officer of the Municipality is
3 hereby authorized to negotiate terms for the purchase of the Bonds and execute a purchase
4 contract with the Underwriter. The Assembly has been advised by the Underwriter that market
5 conditions are fluctuating and, as a result, the most favorable market conditions may occur on a
6 day other than a regular meeting date of the Assembly. The Assembly has determined that it
7 would be inconvenient to hold a special meeting on short notice and, accordingly, has determined
8 that it would be in the best interest of the Municipality to delegate to the Chief Fiscal Officer
9 and/or Acting Chief Fiscal Officer for a limited time the authority to approve final principal
10 maturities on the Bonds and interest rates on the Bonds and other terms and conditions. The final
11 interest rates for the Bonds shall be determined by agreement among the Underwriter, financial
12 advisor and the Chief Fiscal Officer and/or Acting Chief Fiscal Officer and shall be set forth as
13 an exhibit to the purchase contract for the Bonds. The Chief Fiscal Officer and/or Acting Chief
14 Fiscal Officer is hereby authorized to approve the final principal maturities and final maturity
15 amounts of the Bonds and the final interest rates and yields for the Bonds in the manner provided
16 hereafter for so long as the true interest cost on the Bonds does not exceed 6%. In determining
17 the maturities, principal amounts, redemption terms and rate or rates of interest of the Bonds, the
18 Chief Fiscal Officer and/or Acting Chief Fiscal Officer shall, in consultation with the
19 Municipality's financial advisor, take into account those factors which, in her/his judgment, will
20 result in the lowest net effective interest cost on the Bonds to their maturity, including, but not
21 limited to current financial market conditions and current interest rates for obligations
22 comparable in tenor and quality to the Bonds. The Chief Fiscal Officer and/or Acting Chief
23 Fiscal Officer is hereby authorized to execute the final form of the purchase contract for the

1 Bonds, upon her/his approval of the final principal maturities on the Bonds, redemption
2 provisions and the interest rates set forth therein. The authority granted to the Chief Fiscal
3 Officer and/or Acting Chief Fiscal Officer by this Section 23 shall expire in 120 days from the
4 date of approval of this ordinance, and if final interest rates have not been approved by the Chief
5 Fiscal Officer and/or Acting Chief Fiscal Officer in accordance with the delegated authority of
6 this Section 23 within 120 days, no final Bond terms shall be approved without further advice
7 and consultation of the Assembly at a regular or special meeting.

8 Section 24. Application of Bond Proceeds. From the monies derived from the sale of
9 the Bonds;

10 (a) the accrued interest, if any, to the date of delivery of the Bonds shall be
11 deposited in the Bond Fund and shall be used to pay the interest on the Bonds coming due on
12 November 1, 2003;

13 (b) an amount designated by the Chief Fiscal Officer and/or Acting Chief
14 Fiscal Officer shall be deposited in the Reserve Account to satisfy a portion of the Reserve
15 Account Requirement;

16 (c) the balance of the proceeds of the Bonds shall be deposited in the fund of
17 the Municipality designated in the closing memorandum executed by the Chief Fiscal Officer
18 and/or Acting Chief Fiscal Officer (or her/his designee) on the date of delivery of the Bonds and
19 used to pay costs of issuance, to capitalize interest on a portion of the Bonds; and pay or
20 reimburse the Municipality for the costs of the Projects.

21 Certain funds of the Municipality may be held and maintained in the custody of the
22 Registrar, as depository, under the terms of the written agreement with the Registrar. Those
23 funds may be further subdivided into accounts or subaccounts for accounting purposes. All such

1 money and securities held by the Registrar, as depository, shall be applied and invested only in
2 accordance with the terms of the agreement with the Registrar. All interest earnings from
3 investment, if any, of money held in any fund or account held by the Registrar shall accrue for
4 the benefit of the invested fund or account. All money, accounts and funds of the Municipality
5 that may be held by the Registrar, as depository, shall be and continue to be funds of the
6 Municipality and subject to the terms of this ordinance.

7 Section 25. General Authorization to Municipal Officials. After the sale, the proper
8 officials of the Municipality are hereby authorized and directed to do everything necessary to
9 complete such sale and delivery of the Bonds to the Underwriter upon payment of the purchase
10 price thereof.

11 Section 26. Approval of Official Statement. The Chief Fiscal Officer and/or Acting
12 Chief Fiscal Officer is hereby authorized to review and approve on behalf of the Municipality the
13 preliminary Official Statement and to execute a certificate evidencing compliance with the Rule
14 with such additions and changes as may be deemed necessary or advisable to her/him. The Chief
15 Fiscal Officer and/or Acting Chief Fiscal Officer is hereby authorized and directed to review and
16 approve on behalf of the Municipality a final official statement with respect to the Bonds.

17 Section 27. Undertaking to Provide Ongoing Disclosure. The Chief Fiscal Officer
18 and/or Acting Chief Fiscal Officer is authorized to, in her/his discretion, execute and deliver an
19 Ongoing Disclosure Agreement to assist the Underwriter in complying with the Rule.

20 Section 28. Municipal Bond Insurance Policy. The payments of the principal of and
21 interest on the Bonds may be insured by the issuance of the Municipal Bond Insurance Policy.
22 The Chief Fiscal Officer and/or Acting Chief Fiscal Officer, with the assistance of the
23 Underwriter, shall solicit proposals from municipal bond insurance companies, and the Chief

1 Fiscal Officer and/or Acting Chief Fiscal Officer, in consultation with the financial advisor, is
2 hereby authorized to review such proposals and may select the proposal which is deemed to be
3 the most cost effective and further to execute a commitment with such insurance company (the
4 “Bond Insurer”) which may include such covenants and conditions as shall be approved by the
5 Chief Fiscal Officer and/or Acting Chief Fiscal Officer.

6 Section 29. Amendatory and Supplemental Ordinances.

7 (a) The Assembly from time to time and at any time may approve an
8 ordinance or ordinances supplemental hereof, which ordinance or ordinances thereafter shall
9 become a part of this ordinance, for any one or more of the following purposes:

10 (1) To add to the covenants and agreements of the Municipality in this
11 ordinance contained, other covenants and agreements thereafter to be observed, or to surrender
12 any right or power herein reserved to or conferred upon the Municipality.

13 (2) To make such provisions for the purpose of curing any ambiguities
14 or of curing, correcting or supplementing any defective provision contained in this ordinance or
15 in regard to matters or questions arising under this ordinance as the Assembly may deem
16 necessary or desirable and not inconsistent with this ordinance and which shall not materially and
17 adversely affect the interest of the Registered Owners or Beneficial Owners of any Bonds.

18 (3) To provide for the issuance of Bonds in a different form of book-
19 entry or certificated obligations.

20 Any such supplemental ordinance of the Assembly may be approved without the consent
21 of the Registered Owner or Beneficial Owner of any of the Bonds at any time outstanding,
22 notwithstanding any of the provisions of subsection (b) of this section.

1 (b) With the consent of the Registered Owners of not less than 60% in
2 aggregate principal amount of any Bonds at the time Outstanding, the Assembly may approve an
3 ordinance or ordinances supplemental hereto for the purpose of adding any provisions to or
4 changing in any manner or eliminating any of the provisions of this ordinance or of any
5 supplemental ordinance; *provided, however*, that no such supplemental ordinance shall:

6 (1) Extend the fixed maturity of any of the Bonds, or reduce the rate of
7 interest thereon, or reduce the amount or change the date of any sinking fund payment
8 requirement, or extend the time of payments of interest from their due date, or reduce the amount
9 of the principal thereof, or reduce any premium payable on the redemption thereof, without the
10 consent of the Registered Owner of each Bond so affected; or

11 (2) Reduce the aforesaid percentage of Registered Owners of Bonds
12 required to approve any such supplemental ordinance without the consent of the Registered
13 Owners of all of the Bonds then outstanding; or

14 (3) Remove the pledge and lien of this ordinance on Gross Revenues
15 or the moneys in the Wastewater Fund.

16 It shall not be necessary for the consent of the Registered Owners of the Bonds under this
17 subsection (b) to approve the particular form of any proposed supplemental ordinance, but it shall
18 be sufficient if such consent shall approve the substance thereof.

19 (c) Upon the adoption of any supplemental ordinance pursuant to the
20 provisions of this section, this ordinance shall be deemed to be modified and amended in
21 accordance therewith, and the respective rights, duties and obligations of the Municipality under
22 this ordinance and all Registered Owners of Bonds outstanding hereunder shall thereafter be
23 determined, exercised and enforced thereunder, subject in all respects to such modification and

1 amendment, and all the terms and conditions of any such supplemental ordinance shall be
2 deemed to be part of the terms and conditions of this ordinance for any and all purposes.

3 (d) Bonds executed and delivered after the execution of any supplemental
4 ordinance adopted pursuant to the provisions of this section may bear a notation as to any matter
5 provided for in such supplemental ordinance, and if such supplemental ordinance shall so
6 provide, new Bonds so modified as to conform, in the opinion of the Assembly, to any
7 modification of this ordinance contained in any such supplemental ordinance may be prepared by
8 the Municipality and delivered without cost to the owners of Bonds then outstanding, upon
9 surrender for cancellation of such Bonds or Bond in equal aggregate principal amounts.

10 Section 30. Amending Section 26 of Ordinance No. AO 99-119(S). Section 26 of
11 Ordinance No. AO 99-119(S) shall be amended to read as follows (deletions are shown as
12 stricken text and additions are shown as underscored):

13 (a) *Contract/Undertaking.* This section constitutes the
14 Municipality's written undertaking for the benefit of the Beneficial Owners and
15 Registered Owners of the Bonds as required by Section (b)(5) of the Rule.

16 (b) *Financial Statements/Operating Data.* The Municipality
17 agrees to provide or cause to be provided to each NRMSIR and to the SID, if any,
18 in each case as designated by the Commission in accordance with the Rule, annual
19 financial information and operating data for the prior fiscal year (commencing in
20 2000 for the fiscal year ended December 31, 1999), including annual financial
21 statements for the System prepared in accordance with generally accepted
22 accounting principles as prescribed by the Government Accounting Standards
23 Board (or its successor) from time to time and generally of the type included in
24 the official statement for the Bonds under the in the tables titled "Number of
25 Customers"; "Daily Average Production/Demand"; [~~"Capital Improvement
26 Program Financial Summary Anchorage Wastewater Utility";~~] "Wastewater
27 Utility Rate Increases" "Current Wastewater Rates—Anchorage Wastewater
28 Utility"; "Statement of Revenues, Expenses and Debt Service Coverage—
29 Anchorage Wastewater Utility"; and "Revenue Bonds Debt Service—Anchorage
30 Wastewater Utility" or in the Comprehensive Annual Financial Report under
31 comparable headings.

32 Such annual information and operating data described above shall be
33 available on or before seven months from the end of each fiscal year. If the fiscal

1 year of the Municipality is changed, the Municipality may adjust such date by
2 providing written notice of the change of fiscal year and the new reporting date to
3 each then existing NRMSIR and the SID, if any. In lieu of providing such annual
4 financial information and operating data, the Municipality may cross-reference to
5 other documents the Municipality provides to the NRMSIRs, the SID or to the
6 Commission and, if such document is a final official statement within the meaning
7 of the Rule, available from the MSRB.

8 If not provided as part of the annual financial information discussed above,
9 the Municipality shall provide the Municipality's audited annual financial
10 statements prepared in accordance with generally accepted accounting principles
11 as prescribed by the Government Accounting Standards Board (or its successor)
12 from time to time when and if available to each then existing NRMSIR and the
13 SID, if any.

14 (c) *Material Events.* The Municipality agrees to provide or
15 cause to be provided, in a timely manner, to the SID, if any, and to each NRMSIR
16 or to the MSRB notice of the occurrence of any of the following events with
17 respect to the Bonds, if material:

- 18 • Principal and interest payment delinquencies;
- 19 • Non-payment related defaults;
- 20 • Unscheduled draws on debt service reserves reflecting financial
21 difficulties;
- 22 • Unscheduled draws on credit enhancements reflecting financial
23 difficulties;
- 24 • Substitution of credit or liquidity providers, or their failure to
25 perform;
- 26 • Adverse tax opinions or events affecting the tax-exempt status of
27 the Bonds;
- 28 • Optional, contingent or unscheduled Bond calls other than
29 scheduled sinking fund redemptions for which notice is given
30 pursuant to Exchange Act Release 34-23856;
- 31 • Modifications to rights of Registered Owners;
- 32 • Defeasances;
- 33 • Release, substitution or sale of property securing the repayment of
34 the Bonds; and
- 35 • Rating changes.

36 With respect to the notice regarding release, substitution or sale of
37 property, the Municipality will state in its Preliminary and Final Official
38 Statements that there is no property securing the repayment of the Bonds.

39 (d) *Notice Upon Failure to Provide Financial Data.* The
40 Municipality agrees to provide or cause to be provided, in a timely manner, to
41 each NRMSIR or to the MSRB and to the SID, if any, notice of its failure to
42 provide the annual financial information described in subsection (b) above on or
43 prior to the date set forth in subsection (b) above.

44 (e) *Termination/Modification.* The Municipality's obligations
45 to provide annual financial information and notices of material events shall

1 terminate upon the defeasance or payment in full of all of the Bonds. This
2 section, or any provision hereof, shall be null and void if the Municipality
3 (1) obtains an opinion of nationally recognized bond counsel to the effect that
4 those portions of the Rule which require this section, or any such provision, are
5 invalid, have been repealed retroactively or otherwise do not apply to the Bonds
6 and (2) notifies each then existing NRMSIR and the SID, if any, of such opinion
7 and the cancellation of this section. Notwithstanding any other provision of this
8 ordinance, the Municipality may amend this Section 26 and any provision of this
9 Section 26 may be waived, provided that the following conditions are satisfied:

10 i. If the amendment or waiver relates to the provisions
11 of Section 26(b) or (c), it may only be made in connection with a change in
12 circumstances that arises from a change in legal requirements, change in law, or
13 change in the identity, nature or status of an obligated person with respect to the
14 Bonds, or the type of business conducted;

15 ii. The undertaking, as amended or taking into account
16 such waiver, would, in the opinion of nationally recognized bond counsel, have
17 complied with the requirements of the Rule at the time of the original issuance of
18 the Bonds, after taking into account any amendments or interpretations of the
19 Rule, as well as any change in circumstances; and

20 iii. The amendment or waiver either (A) is approved by
21 the Registered Owners in the same manner as provided in this ordinance for
22 amendments to this ordinance with the consent of Registered Owners, or (B) does
23 not, in the opinion of nationally recognized bond counsel, materially impair the
24 interests of owners of the Bonds.

25 In the event of any amendment of or waiver of a provision of this
26 Section 26, the Municipality shall describe such amendment in the next annual
27 report, and shall include, as applicable, a narrative explanation of the reason for
28 the amendment or waiver and its impact on the type (or in the case of a change of
29 accounting principles, on the presentation) of financial information or operating
30 data being presented by the Municipality. In addition, if the amendment relates to
31 the accounting principles to be followed in preparing financial statements,
32 (i) notice of such change shall be given in the same manner as for a material event
33 under Subsection (c), and (ii) the annual report for the year in which the change is
34 made should present a comparison (in narrative form and also, if practical, in
35 quantitative form) between the financial statements as prepared on the basis of the
36 new accounting principles and those prepared on the basis of the former
37 accounting principles.

38 (f) *Remedies Under This Section.* The Registered Owner's or
39 Beneficial Owner's right to enforce the provisions of this section shall be limited
40 to a right to obtain specific enforcement of the Municipality's obligations
41 hereunder, and any failure by the Municipality to comply with the provisions of
42 this undertaking shall not be a default with respect to the Bonds under this
43 ordinance.
44

1 As amended by this ordinance, Ordinance No. AO 99-119(S) is hereby ratified, approved
2 and confirmed.

3 Section 31. Amending Section 12 of Ordinance No. AO 99-119(S). Section 12 of
4 Ordinance No. AO 99-119(S) shall be amended to read as follows (deletions are shown as
5 stricken text and additions are shown as underscored):

6 There is hereby authorized to be created a special fund of the Municipality
7 known as the "Wastewater Revenue Bond Redemption Fund" (the "Bond Fund"),
8 which fund is a trust fund to be drawn upon for the sole purpose of paying the
9 principal of and interest and premium, if any, on all Parity Bonds. The Bond Fund
10 shall include a special account therein to be designated as the Reserve Account.

11 The Municipality hereby obligates and binds itself irrevocably to set aside
12 and to pay (to the extent not otherwise provided) into the Bond Fund, certain fixed
13 amounts from Net Revenues, without regard to any fixed proportion of said
14 revenues, sufficient to pay the principal of and premium, if any, and interest on all
15 Parity Bonds from time to time outstanding as the same respectively become due
16 and payable either at the maturity thereof or in accordance with the terms of any
17 sinking fund provided for the retirement of term Parity Bonds. The payments into
18 the Bond Fund for the payment of the Parity Bonds shall constitute a charge and
19 lien upon Net Revenues of equal rank with the charge and lien on said Net
20 Revenues for the payments required to be made into the Bond Fund for the
21 payment of the principal of, premium, if any, and interest on any Future Parity
22 Bonds.

23 ~~[Commencing 12 months prior to the date of maturity of any Parity~~
24 ~~Bonds,] [T]he Municipality hereby irrevocably obligates and binds itself to set~~
25 ~~aside and pay into the Bond Fund out of Net Revenues or out of any other moneys~~
26 ~~legally available therefor on or before the [20th day of each month such amounts,~~
27 ~~in approximately equal monthly installments,]~~ **[(date on which any payment of**
28 **Annual Debt Service is due such amounts]** as will be sufficient to pay Annual
29 Debt Service scheduled to become due on the date of maturity of such Parity
30 Bonds.

31 The Bond Fund shall be drawn upon solely for the purpose of paying the
32 principal of and premium, if any, and interest on Parity Bonds. Moneys set aside
33 from time to time with the Registrar for such payments shall be held in trust for
34 the owners of the Parity Bonds in respect of which the same shall have been so set
35 aside. Until so set aside, all moneys in the Bond Fund shall be held in trust for the
36 benefit of the owners of all Parity Bonds at the time outstanding equally and
37 ratably.
38

1 As amended by this ordinance, Ordinance No. AO 99-119(S) is hereby ratified, approved
2 and confirmed.

3 Section 32. Repeal of Ordinance No. AO 2003-60. The Assembly hereby repeals
4 Ordinance No. AO 2003-60 in its entirety.

5 Section 33. Severability. If any one or more of the covenants or agreements provided
6 in this ordinance to be performed on the part of the Municipality shall be declared by any court of
7 competent jurisdiction to be contrary to law, then such covenant or covenants, agreement or
8 agreements shall be null and void and shall be deemed separable from the remaining covenants
9 and agreements in this ordinance and shall in no way affect the validity of the other provisions of
10 this ordinance or of the Bonds.

11 PASSED AND APPROVED by the Assembly of the Municipality of Anchorage this
12 15th day of July, 2003.

13 MUNICIPALITY OF ANCHORAGE, ALASKA

14
15
16 By Dick D.
17
18 Chair

19
20 ATTEST:
21 Bonnie S. Jankovsk
22
23 Municipal Clerk
24

Requested by: Chairman of the Assembly
at the request of the Mayor

For Reading: June 24, 2003

Prepared by: Cynthia M. Weed
Preston Gates & Ellis LLP

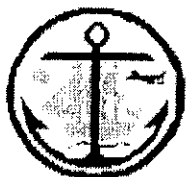
MUNICIPALITY OF ANCHORAGE, ALASKA

ORDINANCE NO. AO 2003-104

AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA, PROVIDING FOR THE ISSUANCE OF WASTEWATER REVENUE BONDS OF THE MUNICIPALITY IN THE AGGREGATE AMOUNT OF NOT TO EXCEED \$45,000,000 FOR THE PURPOSE OF PROVIDING FOR CERTAIN IMPROVEMENTS TO THE WASTEWATER UTILITY AND TO PAY COSTS OF ISSUANCE; FIXING CERTAIN COVENANTS AND PROTECTIVE PROVISIONS SAFEGUARDING THE PAYMENT OF THE PRINCIPAL OF AND INTEREST ON SAID BONDS; PROVIDING FOR THE DATE, FORM, TERMS, MATURITIES AND MANNER OF SALE OF THE BONDS; DELEGATING TO THE CHIEF FISCAL OFFICER AND/OR ACTING CHIEF FISCAL OFFICER THE APPROVAL OF FINAL MATURITY AMOUNTS AND INTEREST RATES ON SAID BONDS; AUTHORIZING AN OFFICIAL STATEMENT; AUTHORIZING THE SALE OF SUCH BONDS; AND REPEALING ORDINANCE NO. AO 2003-60.

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MUNICIPALITY OF ANCHORAGE

ASSEMBLY MEMORANDUM

AM No. 544-2003

Meeting Date: June 24, 2003

1 **From:** Mayor

2
3 **Subject: AN ORDINANCE OF THE MUNICIPALITY OF ANCHORAGE, ALASKA**
4 **PROVIDING FOR THE ISSUANCE OF WASTEWATER REVENUE**
5 **BONDS OF THE MUNICIPALITY IN THE AGGREGATE AMOUNT OF**
6 **NOT TO EXCEED \$45,000,000 AND REPEALING ORDINANCE NO. AO**
7 **2003-60**
8
9

10 Attached Ordinance No. AO 2003-104 provides for an issuance of not to exceed \$45,000,000
11 of Wastewater Revenue Bonds. Approximately \$45,000,000 of which will be used for capital
12 projects included in the Utility's Capital Improvement Program and repeals Ordinance No. AO
13 2003-60.
14

15 The current schedule calls for a retail order period on September 9, pricing on September 10 and
16 closing on September 24, 2003. The schedule is flexible, however, allowing us to postpone if
17 market conditions warrant.
18

19 Section 23 of the Ordinance authorizes the Chief Fiscal Officer and/or Acting Chief Fiscal
20 Officer to negotiate terms and to execute a contract for purchase of the Bonds.
21
22

23 THE ADMINISTRATION RECOMMENDS APPROVAL OF AO NO. 2003 -104.
24
25

26 Recommended by: Anthony A. Price, Acting Chief Fiscal Officer

27 Concurrence: Harry J. Kieling, Jr., Municipal Manager

28 Respectfully submitted: George P. Wuerch, Mayor

Content Information

Content ID : 000926

Title: Issuance of Wastewater Revenue Bonds NTE
\$45,000,000 and Repealing AO 2003-60

Author: pruittns

Initiating Dept: Finance

Keywords: Wastewater Revenue Bonds, Repealing AO 2003-60,
capital projects, September

Date Prepared: 6/17/03 4:07 PM

Requested Assembly Meeting
Date MM/DD/YY: 6/24/03 12:00 AM

Requested Public Hearing Date
MM/DD/YY: 7/15/03 12:00 AM

AO 2003-104

Workflow History

Workflow Name	Action Date	Action	User	Security Group	Content ID
AllOrdinanceWorkflow	6/17/03 4:10 PM	Checkin	pruittns	Public	000926
Finance_SubWorkflow	6/17/03 4:46 PM	Approve	priceta	Public	000926
OMB_SubWorkflow	6/18/03 2:35 PM	Approve	leblancdc	Public	000926
Legal_SubWorkflow	6/19/03 7:54 AM	Approve	wheelerda	Public	000926
MuniManager_SubWorkflow	6/19/03 1:24 PM	Approve	kielinghj	Public	000926
MuniMgrCoord_SubWorkflow	6/19/03 1:38 PM	Approve	katkusja	Public	000926

INTRODUCTION - 9.F.10.

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2003 JUN 19 PM 3:18
M.O.A.
CLERK OF COURSE