

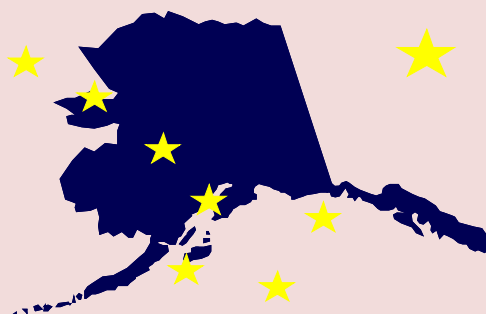
STATE OF ALASKA

STATE BOND COMMITTEE

Department of Revenue Commissioner's Conference Room

August 26, 2014

10:00 a.m.



STATE BOND COMMITTEE AGENDA FOR BOARD OF DIRECTOR'S MEETING

**Alaska Department of Revenue
Commissioner's Conference Room
333 Willoughby Avenue
State Office Building, 11th Floor
Juneau, Alaska 99811**

August 26, 2014 10:00 A.M.

- I. Call to Order**
- II. Roll Call**
- III. Public Meeting Notice**
- IV. Approval of Agenda**
- V. Minutes of June 17, 2014 State Bond Committee Meeting**
- VI. Public Participation and Comment**
- VII. New Business**
 - A. Resolution 2014-07 – Clean Water & Drinking Water Bond Anticipation Note**
 - B. Municipalities Continuing Disclosure Cooperation Initiative**
 - C. Debt Manager's Report**
- VIII. Committee Member Comments**
- IX. Schedule Next Meeting**
- X. Adjournment**

Notice of Meeting - Alaska State Bond Committee

Notice is hereby given that the State of Alaska State Bond Committee will hold a meeting at the Alaska Department of Revenue Commissioner's Office, 333 Willoughby Avenue, 11th Floor, Juneau, Alaska 99811, on August 26, 2014 at 10:00 a.m.

Resolution 2014-07 Clean Water & Drinking Water Fund 2014 BAN issue

Municipal Continuing Disclosure Cooperation Initiative Discussion

Debt Manager's Report

The public is invited to attend and will be given the opportunity for public comment and participation. The State Bond Committee complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973.

Dated August 14, 2014

Deven Mitchell

Attachments, History, Details

Attachments

[State Bond Committee Meeting - 8-25-15.pdf](#)

Revision History

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Events/Deadlines:

Notice is hereby given that the State of Alaska State Bond Committee will hold a meeting at the Alaska Department of Revenue Commissioner's Office, 333 Willoughby Avenue, 11th Floor, Juneau, Alaska 99811, on August 26, 2014 at 10:00 a.m.

Resolution 2014-07 Clean Water & Drinking Water Fund 2014 BAN issue

Municipal Continuing Disclosure Cooperation Initiative Discussion

Debt Manager's Report

The public is invited to attend and will be given the opportunity for public comment and participation. The State Bond Committee complies with Title II of the Americans with Disabilities Act of 1990 and the Rehabilitation Act of 1973.

Dated August 14, 2014
Deven Mitchell

**OFFICIAL MINUTES
STATE BOND COMMITTEE
June 17, 2014**

A meeting of the State Bond Committee was held at 12:30 p.m. on June 17, 2014 at the Department of Revenue, Commissioner's Conference Room, Juneau, Alaska, and telephonically.

State Bond Committee Members present were:

Kevin Anselm, Director of Banking & Securities, Department of Commerce
Community & Economic Development
Angela Rodell, Commissioner, Department of Revenue
Michael Barnhill, Deputy Commissioner, Department of Administration was not present

Also present online were:

Deven Mitchell, Debt Manager, Department of Revenue
Ryan Williams, Department of Revenue
Kerry Salas, K & L Gates
Cynthia Weed, K & L Gates
Pete Nissen, Acacia Financial
Phoebe Seldon, Acacia Financial

I. Call to Order

Ms. Anselm called the meeting to order at 12:31 p.m. AST.

II. Roll Call

Mr. Mitchell took roll call. Ms. Rodell and Ms. Anselm were present, Mr. Barnhill was not present.

III. Public Meeting Notice

A copy of the Affidavit of Publication concerning the date, location, and purpose of the meeting were reviewed and made a part of the minutes of the meeting. Mr. Mitchell stated the meeting notice was advertised in the State's Online Public Notice.

IV. Approval of Agenda

The Agenda was approved without objection.

V. Minutes of April 21, 2014

Three typographical amendments were provided for the minutes. The amended minutes were adopted without objection.

VI. Public Comment

Ms. Anselm asked for public participation and comment. The only comment was Pete Nissen announcing that he had joined the call.

VII. New Business

Resolution 2014-06

Mr. Mitchell explained that Resolution 2014-06 amends resolution 2014-04 that was adopted by the Committee in February for the delegation of authority for the issuance of Certificates of Participation for the Alaska Native Tribal Health Consortium Residential Housing Facility. The amendment is an extension of time for the delegation by 120 days. Mr. Mitchell pointed out that the only change was on page two of the resolution which amends the delegation from 120 days to 240 days. Mr. Mitchell declared that he was confident that the transaction would reach financial close with the extension. Ms. Weed verified that the only change to the resolution was the extension of the delegation. Ms. Rodell moved Resolution 2014-06 and Ms. Anselm seconded the motion. The Committee then approved Resolution 2014-06 with two yes votes.

Debt Manager's Report

Mr. Mitchell reported on the following items:

On May 27, 2014 Standard & Poor's released a write up on the state of Alaska that is included in the Committee's packet. The report's primary author, Gabe Petek, did a good job of describing the State of Alaska's current budget and reserve position.

Mr. Mitchell also reported that he was asked by the Department of Transportation Commissioner Pat Kemp to sit on the Major Project Board, and that with the agreement of Commissioner Rodell he'd agreed. The Board is comprised of DOT staff and is intended to provide policy oversight for the major projects of the State managed by DOT.

VIII. Committee Member Comments

There were none.

IX. Schedule Next Meeting

Mr. Mitchell indicated that the next meeting date will be in the next several months.

X. Adjournment

The meeting was adjourned at 12:46 p.m..

Susan Bell, Commissioner
Department of Commerce and Economic Development
Chairman

ATTEST:

Angela Rodell, Commissioner
Department of Revenue
Secretary

STATE BOND COMMITTEE
OF THE STATE OF ALASKA

RESOLUTION NO. 2014-07

Providing for the Issuance of

State of Alaska
Clean Water Fund Revenue Bond Anticipation Note, 2014 Series A
and of
Drinking Water Fund Revenue Bond Anticipation Note, 2014 Series B

Approved on August 26, 2014

Prepared by:

K&L GATES LLP

TABLE OF CONTENTS*

	<u>Page</u>
Section 1. Defined Terms	2
Section 2. Authorization of Series of Clean Water Bonds.....	5
Section 3. Authorization of Series of Drinking Water Bonds	5
Section 4. Authorization of Notes.....	5
Section 5. Designated Representative.....	6
Section 6. Sale of Notes	7
Section 7. Form of Notes	8
Section 8. Execution and Delivery of Notes.....	12
Section 9. Disbursement of Note Proceeds.....	12
Section 10. Repayment of Notes.....	13
Section 11. Further Documents and Certificates	14
Section 12. Limitations on Liability	15

* This Table of Contents is not a part of the following resolution.

STATE BOND COMMITTEE

RESOLUTION NO. 2014-07

A Resolution of the State Bond Committee of the State of Alaska relating to the issuance and sale of two series of notes to be designated as Alaska Clean Water Fund Revenue Bond Anticipation Note, 2014, Series A in the aggregate principal amount of up to \$1,601,700 and Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2014 Series B in the aggregate principal amount of up to \$1,691,700; fixing the place of payment and other covenants with respect to said notes; and authorizing the Debt Manager to solicit proposals from banks for the purchase of the notes and approve the final interest costs and maturity dates for the Notes and to execute a purchase contract under the terms and conditions set forth herein.

WHEREAS, the Federal Water Quality Act of 1987 (the “Clean Water Act”) established a state revolving fund program in order to replace the United States Environmental Protection Agency (“EPA”) construction grants program with revolving loan programs operated by the individual states; and

WHEREAS, the Safe Drinking Water Act Amendments of 1996, amending the Safe Drinking Water Act (the “Drinking Water Act”) also established a state revolving fund program in order to permit states to establish revolving fund loan programs; and

WHEREAS, in order to capitalize state revolving funds, the EPA may make annual capitalization grants to the states, on the condition that each state provide a state match for such state’s revolving funds; and

WHEREAS, Chapter 141 of the Session Laws of Alaska of 1996, codified at AS 37.15.560-.605 and AS 46.03.032-.039 and as most recently amended by the Alaska Legislature in House Bill 304(FIN) (the “Act”) authorized the issuance and sale of Alaska Clean Water Fund revenue bonds of the State of Alaska (the “State”) in the sum of up to \$15,000,000 per Fiscal Year or up to \$150,000,000 total to provide financial assistance to municipalities and other qualified entities through the Alaska Clean Water Fund Loan Program; (the “Authorized Clean Water Bonds”) and

WHEREAS, the Act authorized the issuance and sale of Alaska Drinking Water Fund revenue bonds of the State in the sum of up to \$15,000,000 per Fiscal Year or up to \$150,000,000 total to provide financial assistance to municipalities and other qualified entities through the Alaska Drinking Water Fund Loan Program; (the “Authorized Drinking Water Bonds”) and

WHEREAS, AS 37.15.300-.390 authorizes the State Bond Committee (the “Committee”), if it considers it in the best interests of the State, to borrow money in anticipation of the sale of revenue bonds if revenue bonds have been authorized by law; and

WHEREAS, the Committee wishes to delegate authority to the Debt Manager of the State to solicit proposals from banks for the purchase of the notes authorized herein, approve the interest costs and maturity dates for the Notes within the parameters described in this resolution;

NOW, THEREFORE, BE IT RESOLVED BY THE STATE BOND COMMITTEE OF THE STATE OF ALASKA, as follows:

Section 1. Defined Terms. In this resolution, the following terms shall have the following meanings.

Act means Chapter 141 of the Session Laws of Alaska of 1996, as amended by House Bill No. 304 (FIN), codified at AS 37.15.560-.605 and AS 46.03.032-.039.

Alaska Clean Water Fund means the fund of that name established pursuant to AS 46.03.032.

Alaska Drinking Water Fund means the fund of that name established pursuant to AS 46.03.036.

Bank means the bank selected and identified by the Designated Representative in accordance with the authority granted to him pursuant to Section 5 hereof.

Bond Fund – Clean Water means the Alaska Clean Water Fund Revenue Bond Redemption Fund, established pursuant to AS 37.15.565.

Bond Fund – Drinking Water means the Alaska Drinking Water Fund Revenue Bond Redemption Fund, established pursuant to AS 37.15.565.

Bonds mean Clean Water Bonds or the Drinking Water Bonds.

Clean Water Act means the Federal Clean Water Act, as amended by the Federal Water Quality Act of 1987, 33 U.S.C. 1251-1387.

Clean Water Bonds means the bonds payable from Clean Water Revenues which include interest on loan repayments and investment interest and issued under authority of AS 37.15.560-.605 pursuant to authorization of the Committee.

Clean Water Fund means the separate fund established by AS 46.03.032(a).

Clean Water Maturity Date means the date of maturity of the Clean Water Note, which date of maturity shall be specified in the Purchase Contract and shall be no later than December 31, 2014.

Clean Water Note means the State of Alaska Clean Water Fund Revenue Bond Anticipation Note, 2014 Series A in the aggregate principal amount of up to \$1,601,700.

Clean Water Project means any one of the following categories of projects:

- (a) planning, designing, building, constructing and rehabilitating a public wastewater collection, treatment or discharge system;
- (b) implementing a management program for controlling water pollution from nonpoint sources under 33 U.S.C. 1329, including planning, designing, building, constructing and rehabilitating a solid waste management system; and
- (c) developing and implementing an estuary conservation and management program under 33 U.S.C. 1330.

Clean Water Rate means the per annum interest rate payable on the Clean Water Note, which interest rate shall be specified in the Purchase Contract.

Clean Water Revenues means the money on hand in the Clean Water Fund, including money appropriated by the State Legislature to meet federal matching requirements, federal capitalization grants, loan repayments, interest received from loan repayments and interest received from investment of money in the Clean Water Fund and the proceeds and accrued interest received from the sale of Clean Water Bonds issued under AS 37.15.560-.605 and secured by the Clean Water Fund.

Committee means the state bond committee, created pursuant to AS 37.15.110, whose members include the commissioner of community and economic development, the commissioner of administration and the commissioner of revenue.

DEC means the State of Alaska Department of Environmental Conservation, or a successor.

DEC Representative means the Commissioner or such other official of DEC as shall be designated by the Commissioner in writing to the Designated Representative.

Designated Representative means the Debt Manager of DOR or such other person as may be designated from time to time by resolution of the Committee.

DOR means the State of Alaska Department of Revenue, or a successor.

Drinking Water Act means the Federal Safe Drinking Water Act, as amended by the Safe Drinking Water Act Amendments of 1996, 42 U.S.C. 300j *et. seq.*

Drinking Water Bonds means the bonds payable from Drinking Water Revenues which include interest on loan repayments and investment interest and issued under authority of AS 37.15.560-.605 pursuant to authorization of the Committee.

Drinking Water Fund means the separate fund established by AS 46.03.036.

Drinking Water Maturity Date means the date of maturity of the Drinking Water Note, which date of maturity shall be specified in the Purchase Contract and shall be no later than December 31, 2014.

Drinking Water Note means the State of Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2014 Series B in the aggregate principal amount of up to \$1,691,700.

Drinking Water Rate means the per annum interest rate payable on the Drinking Water Note, which interest rate shall be specified in the Purchase Contract.

Drinking Water Project means drinking water system projects, including projects to plan, design, build, construct, or rehabilitate a public drinking water collection, storage, treatment or distribution system.

Drinking Water Revenues means the money on hand in the Drinking Water Fund, including money appropriated by the State Legislature to meet federal matching requirements, federal capitalization grants, loan repayments, interest received from loan repayments and interest received from investment of money in the Drinking Water Fund and the proceeds and accrued interest received from the sale of Drinking Water Bonds issued under AS 37.15.560-.605 and secured by the Drinking Water Fund.

Fiscal Year means the fiscal year of the State, which currently is July through June of each year.

Note Account – Clean Water means the Alaska Clean Water Fund Revenue Bond Anticipation Note Account, created within the Bond Fund – Clean Water for the payment of principal and interest on the Clean Water Note.

Note Account – Drinking Water means the Alaska Drinking Water Fund Revenue Bond Anticipation Note Account, created within the Bond Fund – Drinking Water for the payment of principal and interest on the Drinking Water Note.

Note Register means the books or records maintained by the State containing the name and mailing address of the owner of each Note or nominee of such owner and the principal amount and number of Notes held by each owner or nominee.

Notes means either or both of the Clean Water Note and the Drinking Water Note.

Pledged Clean Water Revenue means Clean Water Revenues consisting of interest received from investment of money in the Clean Water Fund and the interest portion of loan repayments.

Pledged Drinking Water Revenue means Drinking Water Revenues consisting of interest received from investment of money in the Drinking Water Fund and the interest portion of loan repayments.

Purchase Contract means a purchase contract or agreement executed by the Designated Representative and the Bank in connection with the sale and purchase of the Notes as authorized to be executed pursuant to Section 5 hereof.

Regulations means the regulations promulgated by DEC with respect to the Alaska Clean Water and Drinking Water Revolving Loan Funds, under 18 AAC 76, as the same may be hereafter amended or modified and supplemented from time to time.

Series means all of the Bonds authenticated and delivered on original issuance and identified as being a part of a separate series.

State means the State of Alaska.

Section 2. Authorization of Series of Clean Water Bonds. The State shall issue Clean Water Bonds in Series from time to time in order to implement the Act. The proceeds of the Clean Water Bonds shall be used for the purposes described in AS 46.03.032(d). The Clean Water Bonds shall be authorized by resolution of the Committee which shall fix the principal amount, denomination, date, maturities, manner of sale, place or places of payment, rights of redemption, if any, terms, form, conditions and covenants of said Clean Water Bonds.

Section 3. Authorization of Series of Drinking Water Bonds. The State shall issue Drinking Water Bonds in Series from time to time in order to implement the Act. The proceeds of the Drinking Water Bonds shall be used for the purposes described in AS 46.03.036. The Drinking Water Bonds shall be authorized by resolution of the Committee which shall fix the principal amount, denomination, date, maturities, manner of sale, place or places of payment, rights of redemption, if any, terms, form, conditions and covenants of said Drinking Water Bonds.

Section 4. Authorization of Notes.

(a) ***Clean Water Note.*** In anticipation of the issuance of the Clean Water Bonds authorized by Section 2 hereof, the Committee hereby authorizes the issuance of a revenue bond anticipation note in order to finance certain Clean Water Projects (the “Clean Water Note”). The Clean Water Note shall be issued in the aggregate principal amount of up to \$1,601,700 and shall be designated as the Alaska Clean Water Fund Revenue Bond Anticipation Note, 2014 Series A. The Clean Water Note shall be dated as of the date of its issuance and delivery; shall be fully registered as to both principal and interest, shall be in the denomination of up to \$1,601,700, shall be numbered N-1, and shall bear interest on unpaid principal from its date at a rate equal to the Clean Water Rate and shall mature on the Clean Water Maturity Date.

(b) ***Drinking Water Note.*** In anticipation of the issuance of the Drinking Water Bonds authorized by Section 3 hereof, the Committee hereby authorizes the issuance of a revenue bond anticipation note in order to finance certain Drinking Water Projects (the “Drinking Water Note”). The Drinking Water Note shall be issued in the aggregate principal amount of up to \$1,691,700 and shall be designated as the Alaska Drinking Water Fund Revenue

Bond Anticipation Note, 2014 Series B. The Drinking Water Note shall be dated as of the date of its issuance and delivery; shall be fully registered as to both principal and interest, shall be in the denomination of up to \$1,691,700, shall be numbered N-1, and shall bear interest on unpaid principal from its date at a rate equal to the Drinking Water Rate, payable at maturity and shall mature on the Drinking Water Maturity Date.

(c) *Place and Medium of Payment.* The principal of and interest on the Notes shall be payable in lawful money of the United States of America. Interest on the Notes shall be calculated on the basis of a 365-day year and actual days elapsed. Upon presentation and surrender of the Clean Water Note, principal and interest shall be transferred from the Note Account – Clean Water to the Bank on the date when due. Upon presentation and surrender of the Drinking Water Note, principal and interest shall be transferred from the Note Account – Drinking Water to the Bank on the date when due. Interest and principal of the Notes shall, upon request of the Bank, be payable by wire transfer to the account of the Bank on the date due (upon confirmation that the Notes shall have been presented to the Designated Representative for payment).

Section 5. Designated Representative. The Committee hereby designates the Debt Manager of the Department of Revenue to act on its behalf as the “Designated Representative” and to exercise the authority granted to the Designated Representative hereunder.

The Committee has determined that it may be inconvenient to meet before the proposed time on which money may be required from the sale of the Notes. Accordingly, the Designated Representative is hereby authorized to prepare a solicitation for proposals to be circulated to local, Alaska banks for the purchase of the Notes and to review and negotiate terms for the purchase of the Notes consistent with the terms of this section. The Committee has determined that it would be in the best interest of the Committee to delegate to the Designated Representative for a limited time the authority to approve the final interest costs and maturity dates for the Notes and other terms and conditions of the Notes. The Designated Representative is hereby authorized to approve the final interest costs (to be expressed as an interest rate for each Note) and maturity dates of Notes and the total of all other costs to be incurred in connection with the financing in the manner provided hereafter.

If the Designated Representative elects to prepare a solicitation, in preparing the solicitation for proposals and evaluating the responses, negotiating a Purchase Contract and determining the final interest rates, maturity dates and total costs of issuance for the Notes, the Designated Representative, in consultation with the Deputy Commissioner of the Department of Revenue and the State’s financial advisor, shall take into account those factors that, in his judgment, will result in the lowest true interest cost on the Notes to their maturity, including, but not limited to current financial market conditions and current interest rates for obligations comparable in tenor and quality to the Notes. The date of issuance and final maturity date shall occur no later than December 31, 2014, and the total costs, including interest costs shall not exceed \$10,000. Subject to the terms and conditions set forth in this Section 5, the Designated Representative is authorized to reject any proposal received (including all proposals and re-advertise) and to accept the proposal deemed most responsive and cost effective. The Designated Representative is hereby authorized to execute the final form of the Purchase

Contract. Following the execution of the Purchase Contract, the Debt Manager shall provide a report to the Committee, describing the final terms of the Notes approved pursuant to the authority delegated in this section. The authority granted to the Debt Manager by this Section 5 shall expire 90 days after the date of approval of this resolution. If the Purchase Contract for the Notes has not been executed within 90 days after the date of final approval of this resolution, the authorization for the issuance of the Notes shall be rescinded, and such Notes shall not be issued nor their sale approved unless such Notes shall have been re-authorized by resolution of the Committee. The resolution re-authorizing the issuance and sale of such Notes may be in the form of a new resolution repealing this resolution in whole or in part (only with respect to the Notes not issued) or may be in the form of an amendatory resolution approving a purchase contract or establishing terms and conditions for the authority delegated under this Section 5.

The Designated Representative and the State's financial advisor are hereby authorized to review and approve on behalf of the Committee a request for qualifications/proposal to be distributed to eligible banking institutions relative to the Notes with such additions and changes as may be deemed necessary or advisable to them. The proper State officials are hereby authorized and directed to do everything necessary for the prompt execution and delivery of the Notes to the Bank and for the proper application and use of the proceeds of sale thereof.

The Designated Representative is hereby designated as the registrar and authenticating agent for the Notes. The Designated Representative is hereby further authorized to contract with and arrange for the printing and delivery of the Notes.

Section 6. Sale of Notes. The Notes shall be sold to the Bank in accordance with its proposal for the purchase of the Notes and the Purchase Contract, as authorized to be delivered under Section 5 of this resolution. The Designated Representative is hereby authorized and directed to do all things necessary for the prompt delivery of the Notes to the Bank.

Section 7. Form of Notes.

(a) *Clean Water Note.* The Clean Water Note shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1

\$_____

STATE OF ALASKA
CLEAN WATER REVENUE BOND ANTICIPATION NOTE,
2014 SERIES A

INTEREST RATE: _____% MATURITY DATE: _____, 2014

DATED DATE: _____, 2014

REGISTERED OWNER: _____

TAX ID NUMBER: _____

PRINCIPAL AMOUNT: _____

The State of Alaska (the “State”) hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, but solely from the Note Account – Clean Water (hereinafter defined) on the Maturity Date identified above, the Principal Amount indicated above together with interest thereon from the Dated Date payable on the Maturity Date. Such Principal Amount, together with accrued interest, shall be paid only upon presentation and surrender of this note at the office of the Debt Manager of the State of Alaska, as registrar and authenticating agent (the “Registrar”). Both principal of and interest on this note are payable in lawful money of the United States of America solely out of the Note Account – Clean Water (the “Note Account – Clean Water”) created within the special fund of the State known as the “Alaska Clean Water Fund Revenue Bond Redemption Fund” established pursuant to AS 37.15.565” and in accordance with the terms of Resolution No. 2014-07 (the “Resolution”) of the State Bond Committee (the “Committee”). The definitions contained in the Resolution shall apply to capitalized terms contained herein.

This note is issued pursuant to the Constitution and statutes of the State of Alaska and duly adopted resolutions of the Committee in anticipation of the issuance of clean water fund revenue bonds for the purpose of implementing the Alaska Clean Water Fund Loan Program for the State and its municipalities. This note is payable solely from the Note Account – Clean Water, into which shall be deposited interest earnings on Clean Water Revenues in the Clean Water Fund or interest on loan repayments deposited in the Clean Water Fund or the proceeds of Clean Water Bonds, refunding bond anticipation notes on or prior to the maturity of this note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE STATE OF ALASKA OR ANY OF ITS DEPARTMENTS, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF ALASKA OR OF ANY SUCH DEPARTMENT, BUT SHALL BE PAYABLE SOLELY FROM THE NOTE ACCOUNT – CLEAN WATER WITHIN THE BOND FUND – CLEAN WATER AND THE CLEAN WATER REVENUES. THE STATE OF ALASKA SHALL NOT BE OBLIGATED TO PAY THE SAME NOR INTEREST THEREON EXCEPT FROM SUCH PAYMENTS AND PROCEEDS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF ALASKA OR OF ANY DEPARTMENT THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS NOTE.

The interest on this note is not exempt from federal income taxation. The interest on this note is includible in federal gross income.

This note shall not be validly issued until duly authenticated by the manual signature of the Registrar in the Certificate of Authentication below.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Alaska, and resolutions of the State to be done precedent to and in the issuance of this note have happened, been done and performed.

IN WITNESS WHEREOF, the State of Alaska has caused this note to be executed with the facsimile signature of the Governor of the State of Alaska and to be countersigned by the Lieutenant Governor, this ____ day of _____, 2014.

STATE OF ALASKA

By _____
Governor

Countersigned:

Lieutenant Governor

The Certificate of Authentication on the Clean Water Note shall be in substantially the following form:

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This note is the note described in the within-mentioned Resolution and is the State of Alaska Clean Water Fund Revenue Bond Anticipation Note, 2014 Series A of the State, dated _____, 2014.

STATE OF ALASKA

DEPARTMENT OF REVENUE

By _____
Debt Manager

(b) *Drinking Water Note.* The Drinking Water Note shall be in substantially the following form:

UNITED STATES OF AMERICA

NO. 1 \$ _____

STATE OF ALASKA
DRINKING WATER REVENUE BOND ANTICIPATION NOTE,
2014 SERIES B

INTEREST RATE: _____% MATURITY DATE: _____, 2014

DATED DATE: _____, 2014

REGISTERED OWNER: _____

TAX ID NUMBER: _____

PRINCIPAL AMOUNT: _____

The State of Alaska (the "State") hereby acknowledges itself to owe and for value received promises to pay to the Registered Owner identified above, or its registered assigns, but solely from the Note Account – Drinking Water (hereinafter defined) on the Maturity Date identified above, the Principal Amount indicated above together with interest thereon from the Dated Date payable on the Maturity Date. Such Principal Amount, together with accrued interest, shall be paid only upon presentation and surrender of this note at the office of the Debt Manager of the State of Alaska, as registrar and authenticating agent (the "Registrar"). Both

principal of and interest on this note are payable in lawful money of the United States of America solely out of the Note Account – Drinking Water (the “Note Account – Drinking Water”) created within the special fund of the State known as the “Alaska Drinking Water Fund Revenue Bond Redemption Fund” established pursuant to AS 37.15.565” and in accordance with the terms of Resolution No. 2014-07 (the “Resolution”) of the State Bond Committee (the “Committee”). The definitions contained in the Resolution shall apply to capitalized terms contained herein.

This note is issued pursuant to the Constitution and statutes of the State of Alaska and duly adopted resolutions of the Committee in anticipation of the issuance of drinking water fund revenue bonds for the purpose of implementing the Alaska Drinking Water Fund Loan Program for the State and its municipalities. This note is payable solely from the Note Account – Drinking Water, into which shall be deposited Drinking Water Revenues constituting interest on loan repayments and investment interest or the proceeds of Drinking Water Bonds, refunding bond anticipation notes on or prior to the maturity of this note.

THIS NOTE SHALL NOT BE DEEMED TO CONSTITUTE A GENERAL OBLIGATION OF THE STATE OF ALASKA OR ANY OF ITS DEPARTMENTS, OR A PLEDGE OF THE FAITH AND CREDIT OF THE STATE OF ALASKA OR OF ANY SUCH DEPARTMENT, BUT SHALL BE PAYABLE SOLELY FROM THE NOTE ACCOUNT – DRINKING WATER WITHIN THE BOND FUND – DRINKING WATER AND THE DRINKING WATER REVENUES. THE STATE OF ALASKA SHALL NOT BE OBLIGATED TO PAY THE SAME NOR INTEREST THEREON EXCEPT FROM SUCH PAYMENTS AND PROCEEDS PLEDGED THEREFOR, AND NEITHER THE FAITH AND CREDIT NOR THE TAXING POWER OF THE STATE OF ALASKA OR OF ANY DEPARTMENT THEREOF IS PLEDGED TO THE PAYMENT OF THE PRINCIPAL OF OR THE INTEREST ON THIS NOTE.

The interest on this note is not exempt from federal income taxation. The interest on this note is includible in federal gross income.

This note shall not be validly issued until duly authenticated by the manual signature of the Registrar in the Certificate of Authentication below.

It is hereby certified that all acts, conditions and things required by the Constitution and statutes of the State of Alaska, and resolutions of the State to be done precedent to and in the issuance of this note have happened, been done and performed.

IN WITNESS WHEREOF, the State of Alaska has caused this note to be executed with the facsimile signature of the Governor of the State of Alaska and to be countersigned by the Lieutenant Governor, this ____ day of _____, 2014.

STATE OF ALASKA

By _____
Governor

Countersigned:

Lieutenant Governor

The Certificate of Authentication on the Drinking Water Note shall be in substantially the following form:

Date of Authentication:

CERTIFICATE OF AUTHENTICATION

This note is the note described in the within-mentioned Resolution and is the State of Alaska Drinking Water Fund Revenue Bond Anticipation Note, 2014 Series B of the State, dated _____, 2014.

STATE OF ALASKA

DEPARTMENT OF REVENUE

By _____
Debt Manager

Section 8. Execution and Delivery of Notes. The Notes shall be executed with the facsimile signature of the Governor and countersigned by facsimile signature of the Lieutenant Governor. The Designated Representative is hereby authorized and directed to authenticate and thereafter to deliver the Notes to the Bank.

Section 9. Disbursement of Note Proceeds.

(a) Alaska Clean Water Fund. The Alaska Clean Water Fund has been established as a State fund by AS 46.03.032. The net proceeds of the Clean Water Note shall be deposited in the Clean Water Fund and shall be disbursed as directed by legislative appropriation to pay costs of Clean Water Projects and for such additional purposes as provided in AS 46.03.032, including but not limited to the provision of state matching funds. Costs of issuance for the Clean Water

Note shall be paid from gross proceeds of the Clean Water Note and shall be paid on the date of issuance of the Clean Water Note.

(b) Alaska Drinking Water Fund. The Alaska Drinking Water Fund has been established as a State fund by AS 46.03.036. The net proceeds of the Drinking Water Note shall be deposited in the Drinking Water Fund and shall be disbursed as directed by legislative appropriation to pay costs of Drinking Water Projects and for such additional purposes as provided in AS 46.03.036, including but not limited to the provision of state matching funds. Costs of issuance for the Drinking Water Note shall be paid from gross proceeds of the Drinking Water Note and shall be paid on the date of issuance of the Drinking Water Note.

Section 10. Repayment of Notes.

(a) Note Account – Clean Water. The Bond Fund – Clean Water has been established as a State fund within the State by AS 37.15.565. There is authorized to be created within the Bond Fund – Clean Water an account to be named the “Note Account – Clean Water.” The Note Account – Clean Water shall be a trust fund used for paying and securing the payment of principal of and interest on the Clean Water Note.

On or prior to the date the Clean Water Note becomes due and payable, and in the event that money is not otherwise on hand in the Note Account – Clean Water, the State shall cause to be deposited in the Revenue Account – Clean Water, sufficient Pledged Clean Water Revenue to pay and redeem the Clean Water Note.

On or before the date on which the Clean Water Note matures, the Designated Representative shall cause to be deposited Pledged Clean Water Revenue in the Note Account – Clean Water or the Committee shall cause Clean Water Bonds to be issued or issue a refunding bond anticipation note in order to provide amounts sufficient to pay and redeem the Clean Water Note. The Designated Representative is hereby authorized to transfer Pledged Clean Water Revenue from the Revenue Account – Clean Water to the Note Account – Clean Water amounts sufficient to pay and redeem the Clean Water Note when due.

The Clean Water Note shall be an obligation only of the Note Account – Clean Water created and maintained within the Bond Fund – Clean Water and shall not constitute a general obligation of the State. When principal of and interest of the Clean Water Note has been paid in full, any remaining amount in the Note Account – Clean Water shall become part of the entire Bond Fund – Clean Water and the Note Account – Clean Water shall be closed.

(b) Note Account – Drinking Water. The Bond Fund – Drinking Water has been established as a State fund within the State by AS 37.15.565. There is authorized to be created within the Bond Fund – Drinking Water an account to be named the “Note Account – Drinking Water.” The Note Account – Drinking Water shall be a trust fund used for paying and securing the payment of principal of and interest on the Drinking Water Note.

On or prior to the date the Drinking Water Note becomes due and payable, and in the event that money is not otherwise on hand in the Note Account – Drinking Water, the State shall

cause to be deposited in the Revenue Account – Drinking Water, sufficient Pledged Drinking Water Revenue to pay and redeem the Drinking Water Note.

On or before the date on which the Drinking Water Note matures, the Designated Representative shall cause to be deposited Pledged Drinking Water Revenue in the Note Account – Drinking Water or the Committee shall cause Drinking Water Bonds to be issued or issue a refunding bond anticipation note in order to provide amounts sufficient to pay and redeem the Drinking Water Note. The Designated Representative is hereby authorized to transfer Pledged Drinking Water Revenue from the Revenue Account – Drinking Water to the Note Account – Drinking Water amounts sufficient to pay and redeem the Drinking Water Note when due.

The Drinking Water Note shall be an obligation only of the Note Account – Drinking Water created and maintained within the Bond Fund – Drinking Water and shall not constitute a general obligation of the State.

When principal of and interest of the Drinking Water Note has been paid in full, any remaining amount in the Note Account – Drinking Water shall become part of the entire Bond Fund – Drinking Water and the Note Account – Drinking Water shall be closed.

Section 11. Further Documents and Certificates. The Chair, Secretary and Designated Representative, as may be appropriate, are authorized and directed to execute any and all documents and do any and all things determined necessary to effect the accomplishment of the issuance, placement and delivery of the Notes and to deliver the necessary documents to the proper parties as requested to carry out the intended purposes of this resolution.

Section 12. Limitations on Liability. Nothing contained in this resolution nor in the Notes, nor any other instrument, shall be construed with respect to the State as incurring a charge upon the general credit of the State or against the taxing power of the State, nor shall the breach of any agreement contained in this resolution, the Notes or any other instrument or document executed in connection therewith impose any charge upon the general credit of the State or the taxing power of the State.

ADOPTED AND APPROVED by the State Bond Committee of the State of Alaska, the 26th day of August, 2014.

STATE OF ALASKA
STATE BOND COMMITTEE

SUSAN K. BELL
Commissioner, Department of Commerce
Community and Economic Development
Chair and Member
Alaska State Bond Committee

CURTIS THAYER
Commissioner, Department of Administration
Member
Alaska State Bond Committee

ANGELA RODELL
Commissioner, Department of Revenue
Secretary and Member
Alaska State Bond Committee

Approved as to form:

Alaska Department of Law
State of Alaska

CERTIFICATE

I, the undersigned, Secretary of the State Bond Committee of the State of Alaska (herein called the "Committee") DO HEREBY CERTIFY:

1. That the attached Resolution numbered 2014-07 (herein called the "Resolution") is a true and correct copy of a resolution of the Committee as adopted at a meeting held on August 26, 2014, and duly recorded in my office.

2. That said meeting was duly convened and held in all respects in accordance with law, and to the extent required by law, due and proper notice of such meeting was given; that a legal quorum was present throughout the meeting and a legally sufficient number of members of the Committee voted in the proper manner for the adoption of the Resolution; that all other requirements and proceedings incident to the proper adoption of the Resolution have been duly fulfilled, carried out and otherwise observed, and that I am authorized to execute this certificate.

IN WITNESS WHEREOF, I have hereunto set my hand this 26th day of August, 2014.

Secretary

August 6, 2014

RE: *Continuing Disclosure Requirements Applicable to Municipal Securities:
The SEC's Municipalities Continuing Disclosure Cooperation Initiative*

As your bond counsel, we are committed to providing you with information and advice on compliance with securities regulations that impact your bonds. As you are aware, Rule 15c2-12 (the “Rule”) of the Securities and Exchange Commission (the “SEC”) requires underwriters who purchase municipal bonds in a public offering to obtain from each bond issuer an agreement – called an “undertaking” in the Rule – for ongoing disclosure. These undertakings require bond issuers to make annual filings of operating and financial information and to file notices of certain specified events when they occur. The time periods within which bond issuers must make these filings are also set forth in each undertaking.

About the MCDC Initiative. The SEC’s Enforcement Division announced earlier this year its “Municipalities Continuing Disclosure Cooperation Initiative” (the “MCDC Initiative”), a voluntary self-reporting program for certain failures to meet continuing disclosure obligations. The MCDC Initiative is offered to issuers for a limited time – until December 1, 2014, which reflects the SEC’s July 31 announcement of an extension of the deadline for issuers to self-report. The deadline for underwriters is unchanged at September 10, 2014.

The MCDC Initiative offers favorable settlement terms to issuers and underwriters if they voluntarily report to the SEC each publicly offered bond issue whose official statement did not accurately disclose any failures by the issuer to meet its continuing disclosure obligations by filing information during the agreed time period required under any then-applicable undertakings of the issuer.

The SEC could file enforcement actions against issuers under either Section 17(a) of the Securities Act of 1933, and/or Section 10(b) of the Exchange Act for inaccurately stating in final official statements that they have substantially complied with their prior continuing disclosure obligations.

Steps you should take to review and examine your publicly offered bonds and disclosure compliance in response to the MCDC Initiative. We recommend that municipal issuers (or obligated persons) that have issued publicly offered bonds in the past five years determine whether the description or statements made regarding prior compliance with continuing disclosure undertakings is accurate in the official statement(s) for bonds issued during that time. Steps you might consider include:

1. Determine what undertakings under the Rule were outstanding at the time of each bond issue during the period from 2009 to date.
2. For each bond issue, determine compliance with the applicable ongoing disclosure obligations.

- Since July 1, 2009, the Municipal Securities Rulemaking Board's EMMA portal was designated by the SEC for purposes of accepting electronic submissions under the Rule and making the disclosure available the public (available at <http://emma.msrb.org>). Prior to that time DisclosureUSA was the approved portal.
- 3. Determine what was said in the official statement about compliance relating to the filing of annual financial reports, audited financial information and material "specified" event notices, including insurer downgrades.
- 4. Review whether the official statement representations accurately reflect your actual compliance.
- 5. Confer with your underwriter(s) and financial advisor(s).
- If you have issued underwritten bonds within the past five years, we recommend that you talk to the underwriters to determine what actions, if any, they may be taking regarding your bonds under the MCDC Initiative.
- We also recommend you talk to your financial advisor, if any, to determine what it has done to track or verify your compliance.

Below are links that provide additional information and guidance to issuers.

- U.S. Securities and Exchange Commission, Division of Enforcement, Municipalities Continuing Disclosure Cooperation Initiative (modified July 31, 2014):
<http://www.sec.gov/divisions/enforce/municipalities-continuing-disclosure-cooperation-initiative.shtml>
- Government Finance Officers Association Alert (July 7, 2014):
<http://www.gfoa.org/gfoa-alert-sec-mcdc-initiative-and-issuers>

Finally, we invite you to contact us to discuss your findings regarding compliance, understand those findings in context of the MCDC Initiative, and before determining whether to self-report under the MCDC Initiative.

Submission Requirements to be Eligible for the MCDC Initiative. Issuers who determine to self-report to the SEC must complete a questionnaire (posted at <http://www.sec.gov/divisions/enforce/mcdc-initiative-questionnaire.pdf>) signed by an authorized signer consenting to certain settlement terms under the MCDC Initiative. Before submitting, however, we recommend that you work with counsel.

Please contact us to discuss any questions relating to the SEC's MCDC Initiative, compliance with continuing disclosure obligations, or the statements made relating to continuing disclosure compliance in your official statements. You may contact your public finance attorney, or you may contact Scott McJannet at (206) 370-8190 or Scott.McJannet@klgates.com.

Very truly yours,
K&L GATES LLP

Series Name	Original Principal	Date of Bonds	Date of Final OS	Final Maturity	Final Maturity CUSIP	Lead Underwriter
STATE OF ALASKA GENERAL OBLIGATION BONDS						
2009 Series A	\$ 165,000,000	April 14, 2009	April 2, 2009	8/1/2029	011770 T61	JPM
2010 Series A, B, C	\$ 200,000,000	December 14, 2010	December 8, 2010	8/1/2033	011770 U44	CITI
2012 Series A Refunding	\$ 175,560,000	February 8, 2012	January 18, 2012	8/1/2023	011770 W42	Goldman, Sachs & Co.
2013 Series A, B	\$ 162,480,000	January 23, 2013	January 15, 2013	8/1/2037	011770 2D5	CITI
2013 Series C BAN	\$ 149,645,000	March 27, 2013	March 14, 2013	3/25/2014	011770 2E3	JPM
2014 Series BAN	\$ 170,000,000	March 24, 2014	March 12, 2014	3/23/2015	011770 2F0	JPM
STATE OF ALASKA REVENUE BONDS						
2006 Series Sport Fishing Revenue Bonds	\$ 68,060,000	April 26, 2006	April 12, 2006	4/1/2026	01185P AV1	Merrill Lynch (BAML)
2011 Series Sport Fishing Refunding Revenue Bonds	\$ 28,830,000	December 8, 2011	November 30, 2011	4/1/2025	01185P BM0	RBC
STATE OF ALASKA - AIAS REVENUE BONDS						
2003 Series A	\$ 73,025,000	December 11, 2003	December 3, 2003	10/1/2024	011842 MZ1	UBS
2003 Series B	\$ 21,900,000	December 11, 2003	December 3, 2003	10/1/2028	011842 NC1	UBS
2006 Series A, B, C, D Revenue, Refunding & Variable	\$ 344,595,000	March 14, 2006	February 23, 2006	10/1/2030	011842 QY0	UBS
2009 Series A Variable Refunding	\$ 50,000,000	January 6, 2009	December 29, 2008	10/1/2030	011842 RG8	Merrill Lynch (BAML)
2010 Series A, B, C, D Revenue & Refunding	\$ 171,060,000	September 29, 2010	September 21, 2010	10/1/2035	011842 SH5	RBC & Merrill Lynch (BAML)
STATE OF ALASKA CERTIFICATES OF PARTICIPATION						
2005 Series A Refunding COPs	\$ 25,725,000	February 2, 2005	January 25, 2005	2/15/2013	011801 DT1	Goldman, Sachs & Co.
2005 Series B State Virology Laboratory Facility COP	\$ 24,000,000	October 12, 2005	October 4, 2005	2/1/2021	011801 EJ2	Merrill Lynch (BAML)

STATE OF ALASKA

STATE BOND COMMITTEE



SEAN PARNELL, GOVERNOR

333 WILLOUGHBY AVENUE, 11TH FLOOR
PO BOX 110405
JUNEAU, ALASKA 99811-0405
PHONE: (907) 465-3750
FAX: (907) 465-2902

July 3, 2014

Mr. Greg Sundberg
Bank of America Merrill Lynch
800 Fifth Avenue, Suite 35
Seattle, WA 98104

RE: SEC Division of Enforcement's MCDC Initiative – Request for Information from Senior Underwriters

Dear Greg,

As you are aware, the Securities and Exchange Commission Division of Enforcement will recommend "favorable" settlement terms to issuers and obligated persons involved in the offer or sale of municipal securities as well as underwriters of such offerings if they self-report to the Division possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934.


The SEC has set a September 9, 2014, 8:00 PM, Alaska Daylight Time deadline for both municipal issuers and bond underwriters to voluntarily report any materially inaccurate statements made in official statements over the past five years regarding issuer compliance with continuing disclosure obligations.

Although the State Bond Committee and the Debt Management Section of the State of Alaska has long-established policies and procedures regarding compliance with its secondary market disclosure obligations, we are nevertheless evaluating whether there may have been instances where we did not achieve perfect compliance. To facilitate the collection and evaluation of this information, we are requesting that firms who have served as senior book-running underwriter on either a competitive or negotiated sale of bonds by the State of Alaska share any findings that they have discovered regarding instances of disclosure non-compliance by the State of Alaska over the past ten years. Given the SEC's early September deadline, we would request that this information be shared with us, in writing, by no later than Friday, August 15, 2014, so that we have adequate time to review and evaluate these findings.

Please find enclosed a list of all series of bonds sold through public offering by the State of Alaska over the past ten years. The book-running senior managers are identified for each issue, and where a firm has merged or changed names we have provided the current firm's name.

Thank you for your assistance in this effort. If you have any questions about this request for information, please do not hesitate to call me at (907) 465-3750.

Sincerely,


Deven Mitchell
Debt Manager
State of Alaska – Department of Revenue
Phone: (907) 465-3750
Fax: (907) 465-2902
Email: deven.mitchell@alaska.gov

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July 3, 2014

Mr. Timothy A. Rattigan, Managing Director
Citigroup Global Markets, Inc.
601 Union Street, Suite 5130
Seattle, WA 98101

RE: SEC Division of Enforcement's MCDC Initiative – Request for Information from Senior Underwriters

Dear Tim,

As you are aware, the Securities and Exchange Commission Division of Enforcement will recommend "favorable" settlement terms to issuers and obligated persons involved in the offer or sale of municipal securities as well as underwriters of such offerings if they self-report to the Division possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934.

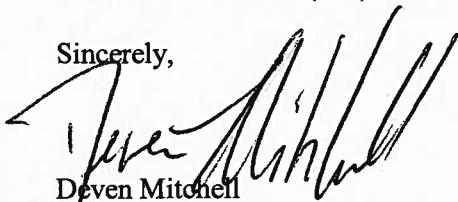
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FAX: (907) 465-2902

July 3, 2014

Paul Bloom, Vice President
Brian Olin, Vice President
Goldman, Sachs & Co.
719 Second Avenue, Suite 1300
Seattle, WA 98104

RE: SEC Division of Enforcement's MCDC Initiative – Request for Information from Senior Underwriters

Dear Paul & Brian,

As you are aware, the Securities and Exchange Commission Division of Enforcement will recommend "favorable" settlement terms to issuers and obligated persons involved in the offer or sale of municipal securities as well as underwriters of such offerings if they self-report to the Division possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934.

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Thank you for your assistance in this effort. If you have any questions about this request for information, please do not hesitate to call me at (907) 465-3750.

Sincerely,

A handwritten signature in black ink, appearing to read "Deven Mitchell".

Deven Mitchell
Debt Manager
State of Alaska – Department of Revenue
Phone: (907) 465-3750
Fax: (907) 465-2902
Email: deven.mitchell@alaska.gov

STATE OF ALASKA

STATE BOND COMMITTEE



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FAX: (907) 465-2902

July 3, 2014

Mr. Alan S. Jaffe
Executive Director
J.P. Morgan Securities
383 Madison Avenue, 8th Floor
New York, NY 10179

RE: SEC Division of Enforcement's MCDC Initiative – Request for Information from Senior Underwriters

Dear Alan,

As you are aware, the Securities and Exchange Commission Division of Enforcement will recommend "favorable" settlement terms to issuers and obligated persons involved in the offer or sale of municipal securities as well as underwriters of such offerings if they self-report to the Division possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934.

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FAX: (907) 465-2902

July 3, 2014

Mr. Tom Yang, Managing Director
RBC Capital Markets
Two Embarcadero Center, Suite 1200
San Francisco, CA 94111

RE: SEC Division of Enforcement's MCDC Initiative – Request for Information from Senior Underwriters

Dear Tom,

As you are aware, the Securities and Exchange Commission Division of Enforcement will recommend "favorable" settlement terms to issuers and obligated persons involved in the offer or sale of municipal securities as well as underwriters of such offerings if they self-report to the Division possible violations involving materially inaccurate statements relating to prior compliance with the continuing disclosure obligations specified in Rule 15c2-12 under the Securities Exchange Act of 1934.

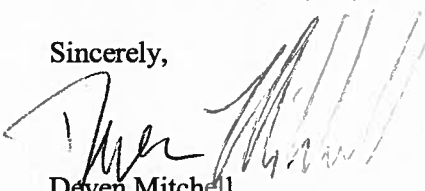
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Thank you for your assistance in this effort. If you have any questions about this request for information, please do not hesitate to call me at (907) 465-3750.

Sincerely,


Deven Mitchell
Debt Manager
State of Alaska – Department of Revenue
Phone: (907) 465-3750
Fax: (907) 465-2902
Email: deven.mitchell@alaska.gov



August 15, 2014

Deven Mitchell

Debt Manager

State of Alaska – Department of Revenue

deven.mitchell@alaska.gov

Ryan Williams

Research Analyst

State of Alaska – Department of Revenue

ryan.williams@alaska.gov

Dear Deven and Ryan:

Citigroup Global Markets Inc. has conducted our review of the State of Alaska's (the "State") Continuing Disclosure compliance with regard to the SEC's Municipalities Continuing Disclosure Cooperation Initiative. We have evaluated diligence in connection with Citi's senior-managed transactions, which include General Obligation Bonds, Series 2010A, 2010B, 2010C, 2013A, 2013B and any General Obligation Bonds which were outstanding over the past five years.

We have compiled the following for the State's review and consideration regarding the General Obligation Bonds:

- No record of filing of FSA downgrade by Moody's from Aaa (November 2008) for Series 2003A and 2003B Bonds.
- No record of filing of FSA downgrade by S&P from AAA (October 2010) for Series 2003A and 2003B Bonds.
- No record of filing of FSA downgrades by Fitch from AAA (May 2009) and from AA+ (November 2011) and ultimate withdrawal of FSA Fitch rating (February 2010) for Series 2003A and 2003B Bonds.
- No record of filing of underlying State G.O. Bond rating upgrades to Aa1 (Moody's, April 2010), AA+ (S&P, March 2008) and AA+ (Fitch, April 2010) for G.O. CUSIPs.
- Delayed filing of FY2004 CAFR for G.O. CUSIPs (filing shown as April 29, 2009).
 - We are in the process of reviewing the FY2004 CAFR filing and will confirm the nature of this finding, be it a late filing, a lack to link the CAFR to all G.O. CUSIPs or simply an error in DAC's initial survey on our behalf.

Please do not hesitate to contact us if you would like to discuss any of the above in further detail.

Sincerely,

Timothy A. Rattigan

Co-Head of Western Region

Citigroup Global Markets, Inc.

(206) 628.4955

timothy.a.rattigan@citi.com

Ben Selberg

Director

Citigroup Global Markets, Inc.

(206) 628.4951

benjamin.selberg@citi.com

From: Jaffe, Alan S

Sent: Wednesday, August 06, 2014 3:55 PM

State of Alaska COPs -- Continuing Disclosure

Deven,

As we discussed yesterday, please see below a summary of the continuing disclosure check that we and Foster undertook. Some of these items are known to you, while others are likely new. Once you've had a chance to review, let's set a call to discuss next steps. Thank you.

-Alan

ANNUAL FINANCIAL INFORMATION

- The State failed to timely file its fiscal year 2010 annual financial information with respect to certain of its GO bonds and certificates of participation. The State has since filed the fiscal year 2010 annual financial information with CUSIPs associated with its GO bonds, but did not connect it to all the required certificates of participation that were outstanding at the time.
- The State was late in filing its fiscal year 2009 and 2010 annual financial information with respect to its Sport Fishing Revenue Bonds, Series 2006.
- The State was late in filing its fiscal year 2012 operating data with respect to certain of its Airport System bonds.
- The State failed to file its fiscal year 2009 annual financial information with respect to certain Alaska Housing Finance Corporation Collateralized Veterans Mortgage Program bonds to which the State is an obligated party.

MATERIAL EVENTS

- The State failed to file a notice of rating change with respect to the following underlying rating changes, which were the highest ratings on the applicable bonds after such rating change:
 - Fitch's April 5, 2010 recalibration of the underlying rating on the following bonds from AA to AA+:
 - State of Alaska - General Obligation Bonds, Series 2003A (Governmental Purpose)
 - State of Alaska - General Obligation Bonds, Series 2003B (Transportation Grant Eligible Projects)
 - State of Alaska - General Obligation Bonds, Series 2009A
 - Fitch's April 5, 2010 recalibration of the underlying rating on the following bonds from AA- to AA:
 - State of Alaska - Certificates of Participation (Seafood and Food Safety Laboratory Facility), Series 2003A
 - State of Alaska - Refunding Certificates of Participation, Series 2005A
 - State of Alaska - State Virology Laboratory Facility Certificates of Participation, Series 2005B
 - Municipality of Anchorage - Lease Revenue Refunding Bonds, Correctional Facility, Series 2005
 - Matanuska-Susitna Borough – State of Alaska Lease Revenue Bonds, Series 2008 (Goose Creek Correctional Center Project)
 - Fitch's April 5, 2010 recalibration of the underlying rating on the following bonds from A to A+:
 - State of Alaska - Sport Fishing Revenue Bonds, Series 2006
 - Moody's April 16, 2010 change in scale on the underlying rating on the following bonds from Aa2 to Aa1:
 - State of Alaska - General Obligation Bonds, Series 2003A (Governmental Purpose)
 - State of Alaska - General Obligation Bonds, Series 2003B (Transportation Grant Eligible Projects)
 - State of Alaska - General Obligation Bonds, Series 2009A
 - Moody's April 16, 2010 change in scale on the underlying rating on the following bonds from Aa3 to Aa2:
 - State of Alaska - Certificates of Participation (Seafood and Food Safety Laboratory Facility), Series 2003A

- State of Alaska - Refunding Certificates of Participation, Series 2005A
 - State of Alaska - State Virology Laboratory Facility Certificates of Participation, Series 2005B
 - Municipality of Anchorage - Lease Revenue Refunding Bonds, Correctional Facility, Series 2005
 - Matanuska-Susitna Borough – State of Alaska Lease Revenue Bonds, Series 2008 (Goose Creek Correctional Center Project)
- The State failed to file a notice of rating change with respect to the following insured rating changes, which were the highest ratings on the applicable bonds after such rating change:
 - S&P's downgrade to Ambac from BBB to CC on July 28, 2009; S&P's downgrade to Ambac on March 25, 2010 from CC to R; and S&P's withdrawal of its rating on Ambac on November 30, 2010
 - Certificates of Participation (Alaska Psychiatric Institute), Series 2002 (S&P did not assign these COPs an underlying rating)
 - S&P's downgrade to AGM from AA+ to AA- on November 30, 2011; and S&P's downgrade to AGM from AA- to AA on March 18, 2014
 - State of Alaska - Sports Fishing Revenue Bonds, Series 2006
 - S&P's downgrade to NPF from A to BBB on December 22, 2010; S&P's downgrade to NPF from BBB to BB on February 28, 2013; S&P's upgrade to NPF from BB to BBB on May 8, 2013; and S&P's upgrade to NPF from BBB to A on May 10, 2013 (NOTE: S&P withdrew its underlying rating on the State's Airports System bonds on February 25, 2009 at the State's request, but S&P continued to provide an insured rating)
 - State of Alaska - International Airports System Revenue and Refunding Bonds, Series 2003A (AMT)
 - State of Alaska - International Airports System Revenue Bonds, Series 2003B (Non-AMT)
 - State of Alaska - International Airports System Revenue Bonds, Series 2006A (AMT)
 - State of Alaska - International Airports System Revenue Bonds, Series 2006B (Non-AMT)
 - State of Alaska - International Airports System Revenue Refunding Bonds, Series 2006D (Non-AMT)
- The State failed to file a notice of rating change with respect to the following insured rating changes that were caused by a downgrade to the insured rating, which dropped below the underlying rating on the applicable bonds:
 - S&P's downgrade to AGM from AA+ to AA- on November 30, 2011
 - Municipality of Anchorage – Lease Revenue Refunding Bonds, Correctional Facility, Series 2005 (the S&P underlying rating was AA as of November 30, 2011)
 - S&P's downgrade to Assured Guaranty Corporation ("AGC") from AA+ to AA- on November 30, 2011
 - Matanuska-Susitna Borough – State of Alaska Lease Revenue Bonds, Series 2008 (Goose Creek Correctional Center Project) (the S&P underlying rating was AA as of November 30, 2011)
 - Moody's downgrade to AGM from Aa3 to A2 on January 17, 2013
 - State of Alaska - Sports Fishing Revenue Bonds, Series 2006 (the Moody's underlying rating was A1 as of January 17, 2013)
- The State failed to file a notice of rating change with respect to Fitch's February 24, 2010 withdrawal of its rating on AGM, which was the insurer of the following bonds, leaving the underlying rating as the highest rating on the following bonds:
 - Municipality of Anchorage, Alaska - Lease Revenue Refunding Bonds, Correctional Facility, Series 2005

MATERIAL EVENT NOTICE DATED AUGUST 14, 2014

Relating to the

State of Alaska

General Obligation Bonds (Base CUSIP Number 011770)
Sport Fishing Revenue Bonds (Base CUSIP Number 01185P)
Certificates of Participation (Base CUSIP Number 011801)
Alaska International Airport System Revenue Bonds (Base CUSIP Number 011842)
Municipality of Anchorage, Alaska Lease Revenue Refunding Bonds, Correctional Facility, Series 2005
(Base CUSIP Number 033227)
Matanuska-Susitna Borough - State of Alaska Lease Revenue Bonds, Series 2008 (Goose Creek
Correctional Center Project) (Base CUSIP Number 576553)
Alaska Housing Finance Corporation Collateralized Veterans Mortgage Program Bonds (Base CUSIP
Numbers 011830 and 011832)

With respect to filing of annual financial information: the State filed its CAFR for fiscal year 2010 16 days later than required; the CAFR for 2010 was not linked by CUSIP numbers to certain of the State's outstanding certificates of participation; the State filed its fiscal year 2009 and 2010 annual financial information for certain of its Sport Fishing Revenue Bonds later than required; and the State did not link its fiscal year 2009 annual financial information for certain Alaska Housing Finance Corporation Collateralized Veterans Mortgage Program bonds with respect to which the State is an obligated person. The State subsequently filed all required annual financial information and linked it to all outstanding bonds and certificates of participation for which the State was an issuer or obligated person.

With respect to filing of listed events: the State did not file certain notices of listed events relating to the downgrades of insurers of its outstanding bonds and certificates of participation; and the State did not file certain notices of rating changes (increases) attributable to general recalibrations of ratings by certain rating agencies for certain of its outstanding bonds and certificates of participation. See list below.

While the State does not believe that any of the foregoing were material failures to comply with its undertakings, the State has adopted procedures to assure future compliance with its continuing disclosure undertakings.

Rating Changes

The State failed to file a notice of rating change with respect to the following underlying rating changes, which were the highest ratings on the applicable bonds after such rating change:

Fitch's April 5, 2010 recalibration of the underlying rating on the following bonds from AA to AA+: State of Alaska - General Obligation Bonds, Series 2003A (Governmental Purpose), State of Alaska - General Obligation Bonds, Series 2003B (Transportation Grant Eligible Projects) and State of Alaska - General Obligation Bonds, Series 2009A.

Fitch's April 5, 2010 recalibration of the underlying rating on the following bonds from AA- to AA: State of Alaska - Certificates of Participation (Seafood and Food Safety Laboratory Facility), Series 2003A, State of Alaska - Refunding Certificates of Participation, Series 2005A, State of Alaska - State Virology Laboratory Facility Certificates of Participation,

Series 2005B, Municipality of Anchorage - Lease Revenue Refunding Bonds, Correctional Facility, Series 2005 and Matanuska-Susitna Borough – State of Alaska Lease Revenue Bonds, Series 2008 (Goose Creek Correctional Center Project).

Fitch's April 5, 2010 recalibration of the underlying rating on the following bonds from A to A+: State of Alaska - Sport Fishing Revenue Bonds, Series 2006.

Moody's April 16, 2010 change in scale on the underlying rating on the following bonds from Aa2 to Aa1: State of Alaska - General Obligation Bonds, Series 2003A (Governmental Purpose), State of Alaska - General Obligation Bonds, Series 2003B (Transportation Grant Eligible Projects) and State of Alaska - General Obligation Bonds, Series 2009A.

Moody's April 16, 2010 change in scale on the underlying rating on the following bonds from Aa3 to Aa2: State of Alaska - Certificates of Participation (Seafood and Food Safety Laboratory Facility), Series 2003A, State of Alaska - Refunding Certificates of Participation, Series 2005A, State of Alaska - State Virology Laboratory Facility Certificates of Participation, Series 2005B, Municipality of Anchorage - Lease Revenue Refunding Bonds, Correctional Facility, Series 2005, Matanuska-Susitna Borough – State of Alaska Lease Revenue Bonds, Series 2008 (Goose Creek Correctional Center Project).

The State failed to file a notice of rating change with respect to the following insured rating changes, which were the highest ratings on the applicable bonds after such rating change:

S&P's downgrade to Ambac from BBB to CC on July 28, 2009; S&P's downgrade to Ambac on March 25, 2010 from CC to R; and S&P's withdrawal of its rating on Ambac on November 30, 2010: Certificates of Participation (Alaska Psychiatric Institute), Series 2002.

S&P's downgrade to AGM from AA+ to AA- on November 30, 2011; and S&P's downgrade to AGM from AA- to AA on March 18, 2014: State of Alaska - Sports Fishing Revenue Bonds, Series 2006.

S&P's downgrade to NPFG from A to BBB on December 22, 2010; S&P's downgrade to NPFG from BBB to BB on February 28, 2013; S&P's upgrade to NPFG from BB to BBB on May 8, 2013; and S&P's upgrade to NPFG from BBB to A on May 10, 2013: State of Alaska - International Airports System Revenue and Refunding Bonds, Series 2003A (AMT), State of Alaska - International Airports System Revenue Bonds, Series 2003B (Non-AMT), State of Alaska - International Airports System Revenue Bonds, Series 2006A (AMT), State of Alaska - International Airports System Revenue Bonds, Series 2006B (Non-AMT) and State of Alaska - International Airports System Revenue Refunding Bonds, Series 2006D (Non-AMT).

The State failed to file a notice of rating change with respect to the following insured rating changes that were caused by a downgrade to the insured rating, which dropped below the underlying rating on the applicable bonds:

S&P's downgrade to AGM from AA+ to AA- on November 30, 2011: Municipality of Anchorage – Lease Revenue Refunding Bonds, Correctional Facility, Series 2005.

S&P's downgrade to Assured Guaranty Corporation ("AGC") from AA+ to AA- on November 30, 2011: Matanuska-Susitna Borough – State of Alaska Lease Revenue Bonds, Series 2008 (Goose Creek Correctional Center Project).

Moody's downgrade to AGM from Aa3 to A2 on January 17, 2013: State of Alaska - Sports Fishing Revenue Bonds, Series 2006.

The State failed to file a notice of rating change with respect to Fitch's February 24, 2010 withdrawal of its rating on AGM, which was the insurer of the following bonds, leaving the underlying rating as the highest rating on the following bonds: Municipality of Anchorage, Alaska - Lease Revenue Refunding Bonds, Correctional Facility, Series 2005.

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percent of the settlement revenues was transferred. In 2006, NTSC issued additional revenue bonds to refinance its purchase of the State's annual settlement income. The NTSC is using the income stream to pay debt service on the bonds. When the bonds are paid, the settlement income reverts to the State. The State used the bond proceeds to pay for a variety of construction and maintenance projects including rural schools, ports and harbors.

The master settlement agreement has been challenged in federal court in other jurisdictions; if there is an adverse decision as to the enforceability of the agreement, the State could experience an impairment of its right to receive the remaining 20 percent of revenue that is not pledged to the NTSC and the NTSC could suffer a revenue shortfall. Additionally, the master settlement agreement provides for a payment adjustment mechanism that, when triggered, could also result in the impairment of the State's right to receive the remaining 20 percent of revenue that is not pledged to the NTSC and the NTSC could suffer a revenue shortfall. This payment adjustment mechanism has been triggered for the years 2003 - 2010. States that have diligently enforced their qualifying statute are exempted from the application of this adjustment mechanism. In July of 2010, an arbitration commenced regarding which states "diligently enforced" their qualifying statutes in 2003. In November 2011, Alaska and 15 other states/territories received notice that the participating manufacturers (tobacco companies that joined the master settlement agreement) are no longer contesting their diligence, rendering those states exempt from the 2003 adjustment. Arbitration for the 2004 adjustment could begin as soon as of the fall of 2014. Recently, however, 22 states (not including Alaska) and the participating manufacturers entered into a memorandum of understanding to negotiate and execute a settlement of the non-participating manufacturer adjustment dispute for years 2003-2012. Because the State believes it is exempt from the adjustment in those years, the State did not join this settlement.

CONTINUING DISCLOSURE

Annual audited financial statements of the State are available upon request from the State of Alaska Department of Revenue. The State has covenanted for the benefit of the holders and beneficial owners of the Certificates to provide certain financial information and operating data (the "Annual Disclosure Report") within seven months after the end of each fiscal year (the "Report Date"), commencing January 31, 2015 for the Annual Disclosure Report for the fiscal year ending June 30, 2014, and to provide notices of the occurrence of certain enumerated events. The form of the undertaking specifying the nature of the information to be contained in the Annual Disclosure Report and the notices of certain events is set forth in Appendix D hereto. These covenants have been made in order to assist the Underwriters in complying with Rule 15c2-12(b)(5) of the Securities and Exchange Commission (the "Rule").

A failure by the State to comply with the undertaking pursuant to the Rule will not constitute a default under the Facility Lease and Trust Agreement. Nevertheless, such a failure must be reported in accordance with the Rule and must be considered by a broker-dealer or municipal securities dealer before recommending the purchase or sale of the Certificates in the secondary market. Consequently, such a failure may adversely affect the transferability and liquidity of the Certificates or their market price.

With respect to filing of annual financial information: the State filed its CAFR for fiscal year 2010 16 days later than required; the CAFR for 2010 was not linked by CUSIP numbers to certain of the State's outstanding certificates of participation; the State filed its fiscal year 2009 and 2010 annual financial information for certain of its Sport Fishing Revenue Bonds later than required; the State filed its fiscal year 2012 operating data for certain of its Airport System bonds later than required; and the State did not link its fiscal year 2009 annual financial information for certain Alaska Housing Finance Corporation Collateralized Veterans Mortgage Program bonds with respect to which the State is an obligated person. The State has subsequently filed all required annual financial information and correctly linked it to all outstanding bonds and certificates of participation for which the State was an issuer or obligated person.

With respect to filing of listed events: the State did not file certain notices of listed events relating to the downgrades of insurers of its outstanding bonds and certificates of participation; and the State did not file certain notices of rating changes attributable to general recalibrations of ratings by certain rating agencies for certain of its outstanding bonds and certificates of participation.

The State has adopted procedures to assure future compliance with its continuing disclosure undertakings. Other than as may be described in this section, in the previous five years, the State has not failed to comply, in all material respects, with its previous continuing disclosure undertakings

MISCELLANEOUS

The Certificates qualify as collateral for State funds deposited by the DOR.

The purpose of this Official Statement is to supply information to prospective purchasers of the Certificates. Quotations from and summaries and explanations of the Certificates and of the statutes and documents contained herein to not purport to be complete, and reference is made to such documents and statutes for full and complete statements as to their provisions. This Official Statement is not intended to be a contract or agreement between the State and the purchasers and owners of the Certificates. This Official Statement may not be reproduced or used, in whole or in part, for any purpose other than in connection with the issuance and sale of the Certificates.

All data contained herein, including the appendices hereto, have been taken from State records unless attributed to a specific source. Insofar as any statements contained in this Official Statement involve matters of estimates, projections, forecasts or matters of opinion, whether or not expressly stated, they are set forth as such and are not be construed as representations of fact.

Upon delivery of the Certificates, the State shall furnish a certificate, dated the date of the delivery of the Certificates, signed by Deven J. Mitchell, Debt Manager, State of Alaska, certifying that to the best of his knowledge and belief, and after reasonable investigation, (a) neither the Official Statement for the Certificates nor any amendment or supplement thereto, contains any untrue statement of a material fact or omits to state any material fact necessary to make the statements therein, in light of the circumstances in which they were made, not misleading; and (b) the Official Statement expected to be dated _____, 2014, will thereby be deemed final as of its date for purposes of Securities and Exchange Commission Rule 15c2-12(b).

EXECUTION OF OFFICIAL STATEMENT

The execution and delivery of this Official Statement has been authorized by the State.

STATE OF ALASKA

By _____
Deven J. Mitchell
Debt Manager,
State of Alaska
For the State Bond Committee

MEMORANDUM

STATE OF ALASKA
Department of Revenue

TO: State Bond Committee

DATE: August 20, 2014

FROM: Deven Mitchell
Debt Manager
Treasury Division

TELEPHONE: 465-3750

SUBJECT: Report

Project Update Knik Arm Crossing – DOT has continued the process of merging Knik Arm Bridge and Toll Authority staff into their organization. The major project board has not heard from project level staff at this point, and questions appear to remain on the project engineering and associated work to date. DOR has still not been supplied with the toll and traffic study or any of the work of CDM Smith. We continue to look forward to working on the financing of this project.

ANTHC Residential Housing COPs Pricing – the COPs are pricing August 25 and 26. Commissioner Rodell, myself and ANTHC Chairman and President Andy Teuber will travel to the pricing in New York City. I expect to be able to provide an update to the Committee at the meeting.

Master Lease Line of Credit – there has been a heightened level of inquiry about the Master Lease Line of Credit over the course of the last 6 months. I have closed on one transaction for the University since June, and have pending transactions from DOT, DOR, DOA, and the University.

Qualified Energy Conservation Bonds – The state received an allocation of \$7.12 million of Qualified Energy Conservation Bonds that can be sold as direct subsidy bonds where taxable bonds are sold and the issuer receives cash rebates from the US Treasury. The bonds can achieve an interest rate that is near zero. The bonds must be used for a qualified energy conservation project. The City of Cordova has inquired about use of the allocation for a performance energy project that they have underway and may be submitting a letter requesting cap from the Committee in the future.

Alaska International Airport System – I continue to work with the Airport System on outstanding issues associated with their debt portfolio. Most recently State Street Bank, which provides the Letter of Credit on the AIAS's \$50 million variable rate demand bonds, approached my office about renewing the Letter. The existing LOC expires on January 1, 2015 and I expect to have a resolution for the Committee to consider regarding this matter at the next SBC meeting.

Use of general obligation bond proceeds – In the 2014 session an attempt was made to re appropriate approximately \$7 million of general obligation bond proceeds (2009 A from 2008 Transportation Act) for unrelated capital projects. This action has been deleted by OMB, but highlights the need for continual education and monitoring of bond funded projects.

The State Constitution provides that GOB's must be authorized by law and ratified by the voters. Generally, the Constitution permits authorization of GOB's only for capital improvements. The legal provisions regarding GOB's are contained in Section 8, Article IX of the Alaska Constitution and AS 37.15, the State Bonding Act. "No state debt shall be contracted unless authorized by law for capital improvements or unless authorized by law for housing loans for veterans, and ratified by a majority of the qualified voters of the State who vote on the question. The State may, as provided by law and without ratification, contract debt for the purpose of repelling invasion, suppressing insurrection, defending the State in war, meeting natural disasters, or redeeming indebtedness outstanding at the time this constitution becomes effective."

In the 2008 Legislative Session SCS CSHB 314(Fin) was approved. The bill authorized the issuance of \$315,050,000 of general obligation bonds to pay for a list of 20 Department of Transportation projects and 8 municipal transportation projects administered by the Department of Commerce, Community and Economic Development. The DCCED grant funded projects totaled \$43,350,000 and were defined in Section 4 of the bill. One of these projects was the Municipality of Anchorage \$14 million upgrade for the Victor Road – Dimond Blvd to 100th Ave. project. There was no authority for reallocation of the bond proceeds amongst the Section 4 projects in the bill.

In November 2008 Alaska's voters approved Bonding Proposition A which included the Section 4 projects. Approval of the ballot proposition approved the issuance of general obligation bonds for the purpose of funding the specific projects identified in the HB 314.

In April 2009 the State of Alaska sold general obligation bonds in the amount of \$165,000,000 to partially fund the approved 2008 Act. \$43,350,000 of the amount borrowed was identified for use in the DCCED grant funded Section 4 projects. A portion of these funds still reside in the bond funded project account. Per the Constitution the funds in the project account are only available for the allowed project list and amounts identified in Section 4 of SCS CSHB 314(Fin) or the payment of principal debt service of the 2009 bonds.