

RFP-WAT-2020-04

Addendum – 01

Date of Issue: 2/26/20

The following is a compilation of questions and answers from interested parties:

Can you confirm the repayment source for the LOC?

The LOC will be paid out of proceeds from EFC notes and bonds. The Bonds will be obtained in multiple bond issuances.

Is it strictly restricted to reimbursements from the EFC or from the issuance of long term bonds?

Yes.

Have take-out bonds been authorized?

Long term bonding with EFC has been authorized.

Where in the payment hierarchy does principal and interest payments on LOC rank relative to Second General Resolution bondholders?

LOC payments are subordinate to Second General Resolution bondholders.

Is it possible to obtain a copy of the Second General Resolution?

Is now included with RFP documents.

When do you expect to draw on the LOC?

Draws against the LOC are not guaranteed. It is expected that draws will be used to pay construction and engineering costs during the project. Draws will be made to bridge reimbursements received from EFC, and applied to open vendor costs. Project is expected to commence in Q3 2020. Draws will be anticipated to begin during project startup and periodically over the project's 2.5 year span.

How does AMWFA water and sewer rates compare to other municipalities in the state?

Albany's water and sewer rates are included as an additional document. A comparison and analysis of other municipal water and sewer utility rates has not been prepared for this RFP.

Does the Water Board have the ability to raise rates?

Yes.

Are there any large Federal or State mandates that would increase the cost of operating the System?

Changes to water and sewer quality are constantly changing. Regulatory changes typically increase system operating costs. The effects of such changes has not been quantified for this RFP.

Does the AMWFA have a rating from either Moody's or S&P?

*The Authority was rated 'AA' from S&P in 2011 when the bonds were refunded and they were last 'reviewed' in 2014. **We are not aware of any ratings in the six years since.***