



NEWS RELEASE
DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY & COUNTY OF HONOLULU

FOR IMMEDIATE RELEASE

Friday, July 10, 2015

Media Contact: Markus Owens, ENV PIO, (808) 768-3454

Moody's, Fitch reaffirms Honolulu wastewater bond ratings; outlook stable

HONOLULU – Two of the largest bond rating companies in the U.S. gave the City and County of Honolulu solid marks on wastewater revenue bonds set to go to sale July 21-22, 2015.

On July 8, Moody's and Fitch rated the city's wastewater revenue senior bonds "Aa2/AA," and junior bonds "Aa3/AA-," respectively. The ratings were driven by the city's strong service area, economy, robust cash flow and ongoing rate support.

The wastewater bonds are expected to be sold with a retail only order period July 21, 2015, and with an institutional order period to commence July 22, 2015.

The sale, authorized by City Council approval of Resolutions 15-175 and 15-176, will include up to \$200 million in new money. More than \$400 million will go to refinance existing wastewater bonds to bring down the debt service.

Proceeds will help pay for important work on wastewater pump stations, pipes and facilities in Ala Moana, Chinatown, Kailua, Kalihi, Kaneohe, Manoa, Nuuanu, Palolo, Sand Island, Honouliuli, Wahiawa, Waimalu and other neighborhoods.

The wastewater bonds will pay semi-annual interest and will be sold in denominations of \$5,000, or multiples thereof. Further, the wastewater bonds will be exempt from Hawaii and federal income taxes, Senior Series 2015A and B and Junior Series 2015A. Senior Series 2015C and Junior Series 2015B are subject to federal taxes but exempt from Hawaii taxes.

Bank of America Merrill Lynch will serve as the lead underwriter for the offering, with Piper Jaffray & Co. serving as a co-manager. A Hawaii-based selling group will also be utilized to market the wastewater bonds to local retail investors.

Anyone interested in purchasing wastewater bonds should contact their broker at Bank of America Merrill Lynch, Piper Jaffray & Co., or any member of the selling group.

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