



NEWS RELEASE
DEPARTMENT OF ENVIRONMENTAL SERVICES
CITY & COUNTY OF HONOLULU

FOR IMMEDIATE RELEASE

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City sells sewer bonds at low interest rate

HONOLULU – The City and County of Honolulu yesterday successfully sold approximately \$699 million of Wastewater System Revenue Bonds, securing additional funds for projects at 3.89 percent, the second lowest tax exempt interest rate of any wastewater financing sold by the City since the program began in 1998. Over \$1.0 billion of orders were received for the bonds.

The attractive interest rate is attributed to the wastewater system's strong financial position and affirmed credit ratings, saving ratepayers millions of dollars over the life of the bonds. The lowest previous tax-exempt rate secured by the City was 3.71 percent in 2012. Refinancing more than \$542 million of existing Wastewater System Revenue Bonds saves in excess of \$50 million in long-term interest payments.

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.

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.

Bank of America Merrill Lynch served as the lead underwriter for the offering with Piper Jaffray & Co. as the co-manager. A retail order period for the bonds on Tuesday generated more than \$275 million of orders from retail customers, both in Hawaii and on the Mainland. Local financial institutions also participated actively in selling and purchasing many of the bonds.

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