

# BOARD OF WATER SUPPLY

CITY AND COUNTY OF HONOLULU  
630 SOUTH BERETANIA STREET  
HONOLULU, HI 96843  
www.boardofwatersupply.com




February 22, 2021

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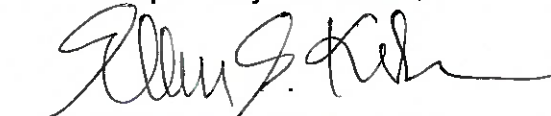
Chairman and Members  
Board of Water Supply  
City and County of Honolulu  
Honolulu, Hawaii 96843

Chairman and Members:

Subject: Resolution No. 921, 2021, Authorizing Up to \$200,000,000 Principal Amount of Series 2021 Bonds

We recommend the adoption and approval of Resolution No. 921, 2021, which authorizes and approves the issuance by the Board of Water Supply (Board) at one time, of not to exceed \$200,000,000 principal amount of revenue bonds. The purposes for which the Series 2021 Bonds are being issued are: (1) to pay the cost of improvements authorized in the capital budget of the Board; (2) to pay the cost of issuance of the Series 2021 Bonds; and (3) to fund a trust fund to provide for the refunding and redemption of all or a portion of the Board's Water System Revenue Bonds, Series 2012A, Series 2014A, and/or Series 2014B. The bonds shall be on terms and conditions as the Board determined to be necessary and advisable.

Respectfully submitted,

  
ERNEST Y. W. LAU, P.E.  
Manager and Chief Engineer

Attachment

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**BOARD OF WATER SUPPLY  
CITY AND COUNTY OF HONOLULU, HAWAII**

**WATER SYSTEM REVENUE BOND  
SERIES 2021 RESOLUTION NO. 921, 2021**

AUTHORIZING UP TO  
\$200,000,000 PRINCIPAL AMOUNT OF SERIES 2021 BONDS

ADOPTED FEBRUARY 22, 2021

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WATER SYSTEM REVENUE BOND  
SERIES 2021 RESOLUTION

AUTHORIZING UP TO  
\$200,000,000 PRINCIPAL AMOUNT OF SERIES 2021 BONDS

BE IT RESOLVED by the Board of Water Supply of the City and County of Honolulu, Hawaii, as follows:

ARTICLE I

DEFINITIONS AND STATUTORY AUTHORITY

Section 1.01. *Series 2021 Resolution.* (1) This Water System Revenue Bond Series 2021 Resolution, authorizing up to \$200,000,000 principal amount of Series 2021 Bonds, is supplemental to, and constitutes a Series Resolution within the meaning of and is adopted in accordance with Article X of, the Resolution, as hereinafter defined.

(2) It is hereby found and determined that it is necessary and required that the Board authorize and issue at this time a Series of Bonds to be designated as herein provided to provide monies to carry out one or more purposes of the Board.

Section 1.02. *Definitions.* (1) All terms which are defined in Section 1.01 of the Resolution shall have the same meanings, respectively, in this Series Resolution as such terms are given in said Section 1.01 of the Resolution.

(2) In addition, as used in this Series Resolution, unless the context shall otherwise require, the following terms shall have the following respective meanings:

“*Authorized Officer*” means the Manager, the Waterworks Controller or other officer designated by resolution of the Board.

“*Resolution*” means that certain resolution adopted by the Board on April 26, 2001, entitled “A Resolution Authorizing and Providing for the Issuance of Revenue Bonds of the Board of Water Supply of the City and County of Honolulu, Hawaii, for the Purposes of the Water System of Said City and County; Covenanting as to the Establishment, Maintenance, Revision and Collection of Charges and Rates for the Use and Services of Said Water System and the Collection and Disbursement of the Revenues Derived Therefrom; Pledging the Net Revenues Derived from Said Water System to the Payment of the Principal of and Interest on Said Bonds as the Same Fall Due; Creating and Establishing Certain Funds and Accounts; Setting Forth the Limitations or Conditions Upon the Issuance by the Board of Additional Bonds

Payable from the Aforesaid Revenues; and Making Other Covenants and Agreements in Connection with the Foregoing,” as amended and supplemented.

“*Series 2021 Bonds*” means the Bonds authorized by Article II of this Series 2021 Resolution.

“*Series 2021 Resolution*” means this Water System Revenue Bond Series 2021 Resolution authorizing up to \$200,000,000 principal amount of the Series 2021 Bonds.

“*Taxable Bonds*” means any Series 2021 Bonds which are not intended by the Board to be Tax-exempt Bonds.

“*Tax Certificate*” means the Tax Certificate executed by an Authorized Officer of the Board in connection with the issuance of the Series 2021 Bonds that are Tax-exempt Bonds.

(3) Words of any gender shall be deemed and construed to include correlative words of the other genders. Unless the context shall otherwise indicate, words importing the singular number shall include the plural number and vice versa, and words importing persons shall include firms, associations and corporations, including public bodies, as well as natural persons.

(4) The terms “hereby,” “hereof,” “hereto,” “herein,” “hereunder,” and any similar terms, as used in this Series 2021 Resolution, refer to the Series 2021 Resolution.

Section 1.03. *Authority for the Series 2021 Resolution.* This Series 2021 Resolution is adopted pursuant to the provisions of the Act and the Resolution.

## ARTICLE II

### AUTHORIZATION, TERMS AND ISSUANCE OF SERIES 2021 BONDS

Section 2.01. *Authorization of Series 2021 Bonds, Principal Amount, Designation and Series.* One or more Series of Bonds entitled to the benefit, protection and security of the Resolution are hereby authorized to be issued in an aggregate principal amount not to exceed \$200,000,000. Each such Series of Bonds shall be designated as and shall be distinguished from the Bonds of all other Series by the title “Water System Revenue Bonds, Series \_\_\_\_\_,” (having inserted in such blank the year of issuance and any appropriate letter designation), pursuant to and subject to the terms, conditions and limitations established in the Resolution and this Series 2021 Resolution.

Section 2.02. *Purposes.* The purposes for which the Series 2021 Bonds are being issued are (1) to pay the Costs of Improvements authorized in the capital budget of the Board; (2) to pay the costs of issuance of the Series 2021 Bonds; and (3) to fund a trust fund to provide for the refunding and redemption of all or a portion of the Board’s Water System Revenue Bonds, Series 2012A, the Board’s Water System Revenue Bonds, Series 2014A, and/or the Board’s Water System Revenue Bonds, Series 2014B (the “Outstanding Bonds”).

Section 2.03. *Delegation of Authority*. (1) There is hereby delegated to any Authorized Officer of the Board, subject to the limitations contained herein and in the Resolution and the Act, the power with respect to the Series 2021 Bonds to determine and carry out the following:

(a) The sale of the Series 2021 Bonds at public or private sale and, if at private sale, the underwriter or underwriters; provided, however, that in the case of a private sale the purchase price paid by the purchasers thereof shall not be less than ninety percent (90%) of the principal amount of the Series 2021 Bonds so sold;

(b) The principal amount of Series 2021 Bonds to be issued; *provided, however,* that the principal amount of Series 2021 Bonds shall not exceed \$200,000,000;

(c) The specific Improvements to be financed from the proceeds of the Series 2021 Bonds;

(d) The Series designation of each Series of the Series 2021 Bonds, the date or dates, maturity date or dates and principal amount of each maturity of the Series 2021 Bonds or the method for calculating such dates and amounts, the amount and date of each Sinking Fund Installment, if any, or the method for calculating the Sinking Fund Installments and which Series 2021 Bonds are Serial Bonds or Term Bonds, if any, and the Record Date or Record Dates of the Series 2021 Bonds for which the Record Date or Record Dates is other than the fifteenth (15th) day (whether or not a Business Day) of the month next preceding an interest payment date for such Bonds;

(e) The interest rate or rates, if any, of the Series 2021 Bonds or the manner of determining such rate or rates, the date from which interest on the Series 2021 Bonds shall accrue, the dates on which interest on the Series 2021 Bonds shall be payable, if any, and if any Series 2021 Bonds are Variable Rate Bonds, the Maximum Interest Rate and the Minimum Interest Rate for such Bonds, and the provisions, if any, as to the calculation or change of variable interest rates; provided, however, that the true interest cost (as determined by an Authorized Officer of the Board, which determination shall be conclusive) on the Series 2021 Bonds shall not exceed eight percent (8%) per annum in the case of Tax-exempt Bonds or ten percent (10%) per annum in the case of Taxable Bonds;

(f) The Series 2021 Bonds which are Capital Appreciation Bonds, if any, the Valuation Dates for such Bonds and the Accreted Value on each such Valuation Date;

(g) The Series 2021 Bonds which are Deferred Income Bonds, if any, the Valuation Dates for such Bonds, the Appreciated Value on each such Valuation Date and the Interest Commencement Date for such Bonds;

(h) If any Series 2021 Bonds are Capital Appreciation Bonds or Deferred Income Bonds, the manner in which and the period during which principal and interest shall be deemed to accrue on such Series 2021 Bonds;

(i) If any Series 2021 Bonds are Option Bonds, (1) provisions regarding tender for purchase or redemption thereof and payment of the purchase or Redemption Price thereof; and (2) provisions regarding the appointment of a Remarketing Agent;

(j) The denomination or denominations of and the manner of numbering the Series 2021 Bonds;

(k) The Series 2021 Bonds which are Book Entry Bonds, if any, and the Depository therefor;

(l) The Paying Agent or Paying Agents for the Series 2021 Bonds and the place or places of payment of the principal, Sinking Fund Installments, if any, or Redemption Price of and interest on the Series 2021 Bonds;

(m) The Redemption Price or Redemption Prices, if any, and, subject to Article V of the Resolution, the redemption terms, if any, for the Series 2021 Bonds; provided, however, that the Redemption Price of Series 2021 Bonds at the election or direction of the Board shall not be greater than one hundred three percent (103%) of the principal amount of the Series 2021 Bonds to be redeemed, plus accrued interest thereon to the date of redemption; provided that the Redemption Price for any redemption of Taxable Bonds may be such higher price as may be appropriate for the sale of such Taxable Bonds;

(n) The form of the Series 2021 Bonds and the form of the Paying Agent's certificate of authentication thereon;

(o) Whether the Series 2021 Bonds shall be entitled to the benefit of the Common Reserve Account, and if so entitled, the amount of the Common Reserve Account Requirement and the method of funding or providing for such Common Reserve Account Requirement, the terms and provisions and credit quality of any Support Facility to be deposited therein, and any provisions with respect to subaccounts therein, if applicable;

(p) Any provisions with respect to funds and accounts and subaccounts therein, if applicable, and the Revenues and application thereof, as provided in Article VI of the Resolution;

(q) If the Series 2021 Bonds shall not be entitled to the benefit of the Common Reserve Account, whether a Series Reserve Account will be established for any of the Series 2021 Bonds, and if so determined to be established, the amount of the Series Reserve Account Requirement and the method of funding or providing for such Series Reserve Account Requirement, the terms and provisions and credit quality of any Support Facility to be deposited therein, and any provisions with respect to subaccounts therein, if applicable;

(r) Which Outstanding Bonds shall be refunded from proceeds of the Series 2021 Bonds and other available moneys, and directions for the application of the

proceeds of the Series 2021 Bonds, including directions with respect to the refunding of such Outstanding Bonds;

(s) Whether a Support Facility shall be obtained or an Interest Rate Exchange Agreement shall be entered into with respect to the Series 2021 Bonds, and if any Series 2021 Bonds are Option Bonds, (i) the appointment of a Support Facility Provider which shall supply a Support Facility with respect to such Series 2021 Bonds; and (ii) provisions for the establishment of separate accounts in which amounts drawn under a Support Facility for the Series 2021 Bonds are to be deposited;

(t) Directions for the application of the proceeds of the Series 2021 Bonds, including the interest on any Series 2021 Bonds to be capitalized from the proceeds thereof, if any, and the date or dates to which such capitalized interest shall accrue;

(u) [reserved];

(v) Which Series 2021 Bonds are to be issued as Tax-exempt Bonds and which, if any, are to be issued as Taxable Bonds; and

(w) Any other provisions deemed advisable by an Authorized Officer of the Board, not in conflict with the provisions hereof or of the Resolution.

(2) Such Authorized Officer shall execute one or more Series Certificates evidencing determinations or other actions taken pursuant to the authority granted herein or in the Resolution and any such Series Certificate shall be conclusive evidence of the action or determination of such Authorized Officer as to the matters stated therein.

(3) All Series 2021 Bonds of like Series, maturity and tenor issued pursuant to this Series 2021 Resolution shall be identical in all respects, except as to denominations and numbers.

Section 2.04. [Authority to Enter into Agreements](#). (1) In the event any of the Series 2021 Bonds are sold at private sale as provided in clause (a) of subsection (1) of Section 2.03, any Authorized Officer of the Board is hereby authorized to execute one or more Bond Purchase Contracts in the name and on behalf of the Board in substantially the form as presented to and on file with the Board, which form is hereby approved, with such changes, insertions and omissions as may be approved by such Authorized Officer, such execution being conclusive evidence of such approval.

(2) The form of the Continuing Disclosure Certificate, as presented to and on file with the Board, is hereby approved. Any Authorized Officer of the Board is hereby authorized to execute one or more Continuing Disclosure Certificates substantially in such form, with such changes, insertions and omissions as may be approved by such Authorized Officer, such execution being conclusive evidence of such approval.

(3) The form of the Escrow Agreement by and between the Board and a financial institution as trustee thereunder, as presented to and on file with the Board, is hereby approved. Any Authorized Officer of the Board is hereby authorized to select a qualified financial



institution to serve as trustee and to execute the Escrow Agreement in the name and on behalf of the Board substantially in such form, with such changes, insertions and omissions as may be approved by such Authorized Officer, such execution being conclusive evidence of such approval.

Section 2.05. *Official Statements.* (1) The form of Preliminary Official Statement, as presented to and on file with the Board, is hereby approved. The distribution in connection with the offering and sale of the Series 2021 Bonds of one or more Preliminary Official Statements in such form, with such changes, insertions and omissions as an Authorized Officer of the Board deems advisable, is hereby authorized.

(2) Any Authorized Officer of the Board is hereby authorized to execute and deliver, in the name and on behalf of the Board, one or more final Official Statements in substantially the form of the Preliminary Official Statement, with such changes, insertions and omissions as such Authorized Officer deems advisable, and to permit the distribution of said Official Statement or Official Statements in connection with the offering and sale of the Series 2021 Bonds.

Section 2.06. *Execution of Documents.* Any Authorized Officer of the Board is hereby authorized to execute and deliver, in the name and on behalf of the Board, any and all documents and instruments, and to do and cause to be done any and all acts and things, said Authorized Officer deems necessary or advisable in connection with the offering, sale and issuance of the Series 2021 Bonds and to carry out the transactions contemplated by this Series 2021 Resolution.

### ARTICLE III

#### EXECUTION AND AUTHENTICATION OF THE SERIES 2021 BONDS

Section 3.01. *Execution and Authentication of Series 2021 Bonds.* (1) Pursuant to the provisions of Sections 4.02 and 4.03 of the Resolution, the Chair or Vice-Chair of the Board is hereby authorized and directed to execute by his or her manual or facsimile signature the Series 2021 Bonds in the name of the Board; the program administrator, Finance Division, as the Waterworks Controller, is hereby authorized and directed to countersign by his or her manual or facsimile signature the Series 2021 Bonds, and the seal of the Board shall be affixed or a facsimile of such seal shall be imprinted on the Series 2021 Bonds.

(2) If a Paying Agent for the Series 2021 Bonds is appointed as provided in clause (1) of subsection (1) of Section 2.03, such Paying Agent is hereby authorized to authenticate by manual signature the Series 2021 Bonds, and deliver the same to or upon the order of the Board, in such amounts and at such times as such Paying Agent shall be directed in writing by an Authorized Officer.

## ARTICLE IV

### APPLICATION OF PROCEEDS

Section 4.01. *Application of Proceeds and Deposit of Moneys.* On the date of delivery of the Series 2021 Bonds, the proceeds of the sale of the Series 2021 Bonds shall be applied in accordance with the written direction of any Authorized Officer given pursuant to Section 2.03(l)(r) of this Series 2021 Resolution.

## ARTICLE V

### SPECIAL COVENANTS

Section 5.01. *Tax Status.* The interest on the Series 2021 Bonds that are Tax-exempt Bonds is intended to be excluded from gross income for purposes of federal income taxation. In order to maintain such exclusion, the Board affirms that the tax covenants made in Section 8.13 of the Resolution shall apply to the Series 2021 Bonds that are Tax-exempt Bonds. In furtherance of the foregoing, the Board shall comply with the provisions of the Tax Certificate executed by any Authorized Officer of the Board in connection with the applicable Series 2021 Bonds that are Tax-exempt Bonds.

Section 5.02. *Survival of Covenant.* The obligation of the Board to comply with the provisions of the Tax Certificate with respect to any required payments to the Department of the Treasury of the United States of America shall remain in full force and effect so long as the Board shall be required by the Code to make such payments, notwithstanding that the Series 2021 Bonds that are Tax-Exempt Bonds are no longer Outstanding.

## ARTICLE VI

### MISCELLANEOUS

Section 6.01. *Effectiveness.* The Series 2021 Resolution shall become effective immediately upon its adoption.

INTRODUCED BY:

Bryan P. Andaya, Chair

Date of Introduction: February 22, 2021

The above and foregoing resolution is hereby approved as to form and legality this February 22, 2021.

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Deputy Corporation Counsel  
City and County of Honolulu