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NOTICE OF PUBLICATION AND NOTICE OF PUBLIC HEARING

OFFICE OF
THE COUNTY CLERK
COUNTY OF KAUAI

Notice is hereby given that the Council of the County of Kaua'i will hold a public hearing on Wednesday, December 16, 2020, at 1:30 p.m., or soon thereafter, at the Council Chambers, 4396 Rice Street, Room 201, Historic County Building, Lihu'e, on the following:

Bill No. 2815

A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF GENERAL OBLIGATION REFUNDING BONDS OF THE COUNTY OF KAUAI FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING GENERAL OBLIGATION BONDS AND NOTES; FIXING OR AUTHORIZING THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER DETAILS OF SUCH REFUNDING BONDS AND PROVIDING FOR THE SALE OF SUCH BONDS TO THE PUBLIC; PROVIDING FOR THE RETIREMENT OF THE BONDS TO BE REFUNDED; AND AUTHORIZING THE TAKING OF OTHER ACTIONS RELATING TO THE ISSUANCE AND SALE OF THE REFUNDING BONDS AND THE RETIREMENT OF THE BONDS TO BE REFUNDED

This Bill proposes to authorize the issuance, sale, and delivery of General Obligation Refunding Bonds in an aggregate principal amount not to exceed \$75,000,000, for the purpose of refunding all or a portion of the Prior Obligations in order to achieve debt service savings and other benefits for the County in the management of its debt obligations.

All interested persons who wish to present their comments may do so at the public hearing. Written testimony prior to the hearing would be appreciated. Written testimony can be submitted to the Office of the County Clerk, Council Services Division by mail, facsimile, or via E-mail to counciltestimony@kauai.gov. Copies of the Bill are available at the Office of the County Clerk, Council Services Division.

(The Council Committee or Council may amend this Bill at their subsequent meetings. Meeting notices are posted at least six (6) days in advance at the County Clerk's Office and the public may also testify at any of these meetings.)

CERTIFICATE OF THE COUNTY CLERK

I hereby certify that the foregoing Bill No. 2815 was passed on first reading and ordered to print by the Council of the County of Kaua'i at its meeting held on November 25, 2020, by the following vote:

AYES:	Chock, Cowden, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL - 6,
NOES:	None	TOTAL - 0,
EXCUSED & NOT VOTING:	Brun	TOTAL - 1*,
RECUSED & NOT VOTING:	None	TOTAL - 0.

Lihu'e, Hawai'i
November 25, 2020

/s/ Jade K. Fountain-Tanigawa
County Clerk, County of Kaua'i

*Beginning with the March 11, 2020 Council Meeting and until further notice, Councilmember Arthur Brun will not be present due to U.S. v. Arthur Brun et al., Cr. No. 20-00024-DKW (United States District Court), and therefore will be noted as excused (i.e., not present).

NOTE: IF YOU NEED AN AUXILIARY AID/SERVICE, OTHER ACCOMMODATION DUE TO A DISABILITY, OR AN INTERPRETER FOR NON-ENGLISH SPEAKING PERSONS, PLEASE CONTACT THE OFFICE OF THE COUNTY CLERK, COUNCIL SERVICES DIVISION AT (808) 241-4188 OR COKCOUNCIL@KAUAI.GOV AS SOON AS POSSIBLE. REQUESTS MADE AS EARLY AS POSSIBLE WILL ALLOW ADEQUATE TIME TO FULFILL YOUR REQUEST.

UPON REQUEST, THIS NOTICE IS AVAILABLE IN ALTERNATE FORMATS SUCH AS LARGE PRINT, BRAILLE, OR ELECTRONIC COPY.

(One publication – The Garden Island – December 1, 2020)

**A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF
GENERAL OBLIGATION REFUNDING BONDS OF THE COUNTY OF
KAUA'I FOR THE PURPOSE OF REFUNDING CERTAIN OUTSTANDING
GENERAL OBLIGATION BONDS AND NOTES; FIXING OR AUTHORIZING
THE FIXING OF THE FORM, DENOMINATIONS, AND CERTAIN OTHER
DETAILS OF SUCH REFUNDING BONDS AND PROVIDING FOR THE
SALE OF SUCH BONDS TO THE PUBLIC; PROVIDING FOR THE
RETIREMENT OF THE BONDS TO BE REFUNDED; AND AUTHORIZING
THE TAKING OF OTHER ACTIONS RELATING TO THE ISSUANCE AND
SALE OF THE REFUNDING BONDS AND THE RETIREMENT OF
THE BONDS TO BE REFUNDED**

BE IT ORDAINED BY THE COUNCIL OF THE COUNTY OF KAUA'I, STATE OF HAWAII:

SECTION 1. Findings and Determinations. The Council of the County of Kaua'i (the "Council") hereby determines and finds that the County has heretofore issued bonds and other long term debt obligations from time to time to fund or refund the costs of capital improvement projects for the County and the County's Department of Water (the "Water Department"), including the following bonds and obligations (the "Prior Obligations"):

<u>Obligation</u>	<u>Original Principal Amount</u>	<u>Outstanding Principal Amount (as of August 20, 2020)</u>
Series 2005A	\$50,230,000	\$625,000
Series 2011A	\$26,110,000	\$10,140,000
Series 2012A	\$26,160,000	\$18,515,000
Series 2012B	\$8,215,000	\$5,800,000
Series 2017	\$24,015,000	\$22,250,000

The Council further determines and finds that it is advisable, expedient and in the best interest of the County to authorize the issuance, sale and delivery of general obligation refunding bonds (the "Bonds") for the purpose of refunding all or a portion of the Prior Obligations in order to achieve debt service savings and other benefits for the County in the management of its debt obligations.

SECTION 2. Authorization of Bonds. There are hereby authorized for issuance and sale, in one or more series, Bonds of the County in an aggregate principal amount not to exceed \$75,000,000, the proceeds derived from the sale of which are to be used to refund all or a portion of the Prior Obligations in advance of their final maturity dates, as determined by the Director of Finance to be in the best interest of the County, and to pay the costs of issuing the Bonds and refunding the Prior Obligations, all as more fully provided in Section 8 hereof.

SECTION 3. Details of Bonds. The Bonds authorized for issuance and sale in Section 2 hereof shall be issued and sold in one or more series or as part of one or more series of other general obligation bonds of the County, all as shall be determined by the Director of Finance to be in the best interest of the County. The Bonds of a series shall be issued in fully registered form without coupons in the denomination of \$5,000 or any integral multiple of \$5,000, or in such other denominations as the Director of Finance shall determine. The Bonds of a series shall be numbered from 1 upwards in chronological order of delivery or shall be numbered in any other manner as the Director of Finance shall determine. The Bonds of a series shall mature annually on such day in each year in substantially equal installments of principal or in substantially equal installments of principal and interest, the first of such maturities to be no later than five years from the date of the Bonds of such series and the last of such maturities to be not later than twenty-five years from the date of the Bonds of such series, may be redeemable prior to the stated maturity thereof at such time or times and upon such terms as may be determined by the Director of Finance, and shall bear interest at such rate or rates per annum as shall result in a true interest cost not to exceed four and a half percent (4.5%) per annum, as shall be specified in the contract approved or the bid accepted for the purchase of the Bonds of such series if any contract therefor be approved or any bid therefor be accepted. In accordance with and subject to the provisions of this ordinance, the Director of Finance is hereby authorized to determine, with respect to the Bonds of a series, the aggregate principal amount of such series of Bonds; the series designation of such series of Bonds; the date of such series of Bonds; the interest payment dates and maturity dates of such series of Bonds; the amount of principal of such series of Bonds maturing on each maturity date; the registration privileges and place or places at which such series of Bonds may be paid or registered which may include the office of the Director of Finance; whether or not such series of Bonds shall be subject to redemption prior to the stated maturity thereof and, if subject to such prior redemption, the times, prices, methods and other provisions for such prior redemption; whether such series of Bonds shall bear interest at fixed rates or at a rate or rates which vary from time to time and the methodology for determining such variable rate or rates; the rights, if any, of the holders of such Bonds of a series to tender for purchase and the price or prices and time or times and terms and conditions upon which those rights may be exercised; the rights of the County to purchase the Bonds of a series and price or prices and the time or times and terms and conditions upon which those rights may be exercised and the purchase may be made; and all other details of such series of Bonds.

SECTION 4. Redemption of Bonds. In the event any of the Bonds shall be subject to prior redemption and if any Bond (or portion thereof in installments which are integral multiples of the smallest denomination thereof) is to be redeemed, notice of redemption shall be given in such manner as the Director of Finance shall determine. If any Bond shall have been duly called for redemption and notice of such redemption duly given in the manner determined by the Director of Finance, and if moneys for the payment of such Bond at the then applicable redemption price and the interest accrued on the principal amount thereof to the date of redemption are made or duly provided for by the County, interest on such Bond shall cease to accrue and become payable from and after the date fixed for redemption.

SECTION 5. Payment of Bonds. The principal of and interest and premium, if any, on the Bonds shall be payable in any coin or currency of the United States of America which at the time of payment is legal tender for public and private debts.

SECTION 6. Execution and Form of Fully Registered Bonds. The Bonds of a series shall be lithographed, steel engraved, typewritten, printed or in other reproduced form as the Director of Finance may determine. The Bonds of a series shall bear the manual or facsimile signatures of the Director of Finance and of the Mayor of the County and shall also bear the seal of the County or a facsimile of such seal. The Director of Finance may provide for the Bonds of a series to be issued in and effect a book-entry system for such Bonds. The Director of Finance may prepare such number of blank Bonds of any series executed and sealed as aforesaid as he shall determine and deliver such executed blank Bonds to the registrar for such series for safekeeping prior to the time such Bonds are actually issued, exchanged or transferred. The Director of Finance shall direct the registrar for the Bonds of a series to register and authenticate such Bonds and no such Bond shall be valid or obligatory for any purpose unless and until the certificate of authentication endorsed on such Bond shall have been manually executed by such registrar; provided that a certificate of authentication shall not be required for any Bond is the Director of Finance is the registrar and if such Director has manually signed the Bond in question.

The Bonds of a series shall be designated and the form of such Bonds, including the registrar's certificate of authentication (if required) and the assignment, shall be substantially in the form of general obligation bonds heretofore issued by the County with such insertions, variations and omissions as are required with respect to a particular series of the Bonds, book-entry provisions, variable rate provisions or other provisions as the Director of Finance may determine.

SECTION 7. Sale of Bonds. Without any further authorization from or action by the Council, but subject to the provisions hereof and of applicable law, the Director of Finance is hereby authorized to issue and sell the Bonds in their entirety at one time, or from time to time in two or more separate series, or as part of a series of other general obligation bonds of the County, at competitive sale or at negotiated sale to qualified purchasers in accordance with Section 47-8, Hawai'i Revised Statutes, as amended, in each case at such price or prices and upon such terms and conditions as he shall approve and determine to be in the best interest of the County. Without limiting the generality of the foregoing, with respect to the sale of the Bonds or of portions of the Bonds, the Director of Finance is hereby authorized to retain bond counsel, paying agents, registrars and financial and accounting consultants, upon such terms and conditions as such Director shall deem advisable, to select the date for such sale, to publish and distribute a notice of sale or to enter into a negotiated contract for the sale of the Bonds or portions thereof, in each case in such form and containing such terms and conditions as he shall approve and deem advisable, to distribute an official statement and such other

information relating to the County and the Bonds as he may deem advisable, to receive bids for the sale of the Bonds or the portion thereof being offered and to award the sale of the Bonds or the portion thereof being offered to the bidder offering the lowest interest cost therefor, in accordance with the applicable notice of sale (if any), provided that the Director of Finance may reserve the right to reject any and all bids. Subject to the provisions of Section 3 hereof, without further action of the Council, the Bonds shall bear interest at the rates per annum as specified in the contract or contracts approved or in the bid or bids accepted. The Director of Finance and all officials of the County are hereby authorized to take such action and execute such orders, receipts and other documents as may be necessary in order to effectuate the sale of the Bonds or any portion thereof, and, if any contract therefor be approved or any bid therefor be accepted, the preparation execution, and delivery thereof, in accordance with the provisions hereof and applicable law.

Subsequent to the sale of any of the Bonds, the Director of Finance shall report the results of such sale to the Council by letter. From and after the date the Director of Finance shall have accepted a bid for a series of Bonds, or shall have entered into a negotiated contract for the sale and purchase of a series of Bonds, the Council will take no action to modify, supplement, amend or repeal the provisions of this ordinance in a manner which would have an adverse effect on the ability of the County to perform its obligations under such accepted bid or contract.

SECTION 8. Application of Bond Proceeds. The proceeds of the Bonds are hereby irrevocably appropriated for the purposes set forth herein, and such proceeds, together with other funds of the County which are legally available therefor, shall be deposited and applied as determined by the Director of Finance and applied as directed by the Director of Finance:

(a) to the payment of the accrued interest (if any) on such Bonds to the date of delivery thereof and payment therefor;

(b) to pay the principal of, premium (if any) and interest on the Prior Obligations to be refunded; and

(c) to pay the costs of issuing the Bonds and refunding the Prior Obligations, including without limitation the initial fees of the paying agents and registrars, the fees of any financial consultants and bond counsel, the underwriter's discount or fee, rating agency fees, escrow agent fees, fees for verification of refunding calculations, the costs of preparation of any official statements, notices or sale and definitive bonds, and any costs of publications required by law.

Pending the time the proceeds of the Bonds of a series are required to pay the principal of, premium (if any) and interest on the Prior Obligations as provided in subsection (b) above, such proceeds, together with other funds of the County which

are legally available therefor, may be held by the Director of Finance or by a financial institution selected by the Director of Finance to serve as escrow agent for the Prior Obligations to be refunded and, in either case, shall be invested as permitted by law. The Director of Finance is hereby authorized and directed to select a qualified financial institution to serve as escrow agent, or to serve in such capacity himself; and if a financial institution is selected for such purpose, to determine the form and terms of the applicable escrow agreement and any fee arrangements to be entered into with such financial institution. The Director of Finance is hereby further authorized and directed to determine the date or dates upon which the Prior Obligations to be refunded are to be redeemed (if applicable) and to give or cause to be given any appropriate notices of such redemption.

SECTION 9. Security for the Bonds; Reimbursement by Department of Water. The Bonds are authorized to be issued as general obligation bonds. The full faith and credit of the County is hereby pledged to the payment of the principal of and interest on the Bonds, and such principal and interest payments shall be a first charge on the General Fund of the County.

Bonds allocable to projects of the Water Department (the "Water System Bonds") are authorized to be issued as reimbursable general obligation bonds. The General Fund of the County shall be reimbursed at least annually for the principal of and interest on the Water System Bonds from the revenues of the Water Department remaining after costs of operation, maintenance and repair of the properties of the Water Department and after the required payments, if any, of the principal of and interest on any revenue bonds of the Water Department have been made. The Water Department is hereby authorized and directed, subject to applicable provisions of law, to impose and maintain such rates, rentals, fees and charges for connection to and the use and services of the water system of the Water Department so as to produce revenues which, together with other lawfully available funds of the Water Department, shall be at least sufficient (after payment of the costs of operation, maintenance and repair and after payments on revenue bonds as aforesaid) to pay or reimburse the General Fund of the County for payments of the principal of and interest on the Water System Bonds. The Water Department shall also reimburse the County for (i) costs of issuance of the Water System Bonds to the extent that such costs are not paid from the proceeds of the Water System Bonds, and (ii) future servicing costs, including fees and expenses of paying agents and arbitrage consultants, pertaining to such Water System Bonds. The Director of Finance, in consultation with the Water Department, shall determine amounts to be reimbursed in respect of the principal and interest payments, costs of issuance and servicing costs allocable to the Water System Bonds.

SECTION 10. Committee on Uniform Securities Identification Procedures (CUSIP) Identification Numbers. The Director of Finance may authorize the printing of CUSIP identification numbers upon the Bonds. Such

number and the printing thereof shall be subject in all respects to the provisions of Section 47-10, Hawai'i Revised Statutes, as amended.

SECTION 11. Repeal of Conflicts. All ordinances and resolutions, and any portions of ordinances and resolutions, heretofore enacted or adopted by the Council which are in conflict or inconsistent with any provision of this ordinance shall be and are hereby repealed to the extent of such conflict or inconsistency.

SECTION 12. Severability. If any provision of this Ordinance or application thereof to any person or circumstance is held invalid, such invalidity shall not affect other provisions or applications of this Ordinance which can be given effect without the invalid provision or application, and to this end, the provisions of this Ordinance are declared to be severable.

SECTION 13. Effective Date. This Ordinance shall take effect upon its approval.

Introduced by:



ARRYL KANESHIRO
(By Request)

DATE OF INTRODUCTION:

November 25, 2020

Līhu'e, Kaua'i, Hawai'i

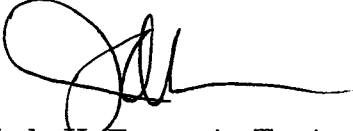
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CERTIFICATE OF THE COUNTY CLERK

I hereby certify that heretofore attached is a true and correct copy of Bill No. 2815, which on first reading was ordered to print by the Council of the County of Kaua'i at its meeting held on November 25, 2020, by the following vote:

FOR PASSAGE:	Chock, Cowden, Evslin, Kagawa, Kualii, Kaneshiro	TOTAL – 6,
AGAINST PASSAGE:	None	TOTAL – 0,
EXCUSED & NOT VOTING:	Brun	TOTAL – 1*,
RECUSED & NOT VOTING:	None	TOTAL – 0.

Lihu'e, Hawai'i
November 25, 2020


Jade K. Fountain-Tanigawa
County Clerk, County of Kaua'i

*Beginning with the March 11, 2020 Council Meeting and until further notice, Councilmember Arthur Brun will not be present due to U.S. v. Arthur Brun et al., Cr. No. 20-00024-DKW (United States District Court), and therefore will be noted as excused (i.e., not present).