### A BILL FOR AN ACT

RELATING TO THE ISSUANCE OF SPECIAL PURPOSE REVENUE BONDS FOR THE NUUANU HYDROELECTRICITY PROJECT.

### BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF HAWAII:

- SECTION 1. Nuuanu reservoir #4 is an essential component
  in the Nuuanu hydroelectricity project, which will connect
  existing reservoirs in Nuuanu valley to generate renewable
- 4 hydroelectric energy, provide energy storage of off-peak solar
- 5 or wind energy supplies, and supplement usable groundwater
- 6 supplies through the increase of groundwater recharge of
- ${f 7}$  captured stormwater. The legislature finds that part VI,
- 8 chapter 39A, Hawaii Revised Statutes, permits the State to
- 9 assist utilities serving the public in providing electricity.
- 10 The legislature finds and declares that the issuance of
  11 special purpose revenue bonds under this Act is in the public
- 12 interest and for the public health, safety, and general welfare.
- SECTION 2. Pursuant to part VI, chapter 39A, Hawaii
- 14 Revised Statutes, the department of budget and finance, with the
- 15 approval of the governor, is authorized to issue special purpose
- 16 revenue bonds in a total amount not to exceed \$6,400,000, in one

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- 1 or more series, for the purpose of assisting the Honolulu Board
- 2 of Water Supply, a municipal water utility, and Hawaiian
- 3 Electric Company, Inc., a Hawaii corporation and electric
- 4 utility, to upgrade Nuuanu reservoir #4 to meet state dam safety
- 5 standards as part of the Nuuanu hydroelectricity project. The
- 6 legislature hereby finds and determines that the Nuuanu
- 7 hydroelectricity project constitutes a project as defined in
- 8 part VI, chapter 39A, Hawaii Revised Statutes, and the financing
- 9 thereof is assistance to utilities serving the general public in
- 10 providing electric energy, gas, or telecommunications.
- 11 SECTION 3. The special purpose revenue bonds and the
- 12 refunding special purpose revenue bonds issued under this Act
- 13 shall be issued pursuant to part VI, chapter 39A, Hawaii Revised
- 14 Statutes, relating to the power to issue special purpose revenue
- 15 bonds to assist utilities serving the general public in
- 16 providing electric energy, gas, or telecommunications.
- 17 SECTION 4. The department of budget and finance is
- 18 authorized, from time to time, including times subsequent to
- 19 June 30, 2022, to issue special purpose revenue bonds in
- 20 whatever principal amounts the department shall determine to be
- 21 necessary to refund the special purpose revenue bonds authorized

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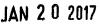
- 1 in section 2 and to refund special purpose revenue bonds
- 2 authorized in this section, regardless of whether the
- 3 outstanding special purpose revenue bonds or refunding special
- 4 purpose revenue bonds have matured or are the subject of
- 5 redemption or whether the refunding special purpose revenue
- 6 bonds shall be bonds for the multi-project programs described in
- 7 section 2. In making this determination, the department shall
- 8 comply with federal law relating to the exemption from federal
- 9 income taxation of the interest on bonds of the nature
- 10 authorized by this section.

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- 11 SECTION 5. The authorization to issue special purpose
- 12 revenue bonds under this Act shall lapse on June 30, 2022.
- 13 SECTION 6. This Act shall take effect on July 1, 2017.

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INTRODUCED BY:



# H.B. NO. 636

#### Report Title:

Special Purpose Revenue Bonds; Nuuanu Managed Aquifer Recharge and Pumped Storage Hydroelectricity Project

### Description:

Authorizes the issuance of special purpose revenue bonds to the Board of Water Supply and the Hawaiian Electric Company, Inc. to upgrade Nuuanu Reservoir #4 to meet State Dam Safety Standards, as a component of the Nuuanu Hydroelectricity Project.

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