

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
RIVERSIDE, CALIFORNIA, AUTHORIZING CERTAIN ACTIONS RELATED TO THE
AMENDMENT AND RESTATEMENT OF A SUBORDINATE LINE OF CREDIT FOR THE
WATER SYSTEM AND ELECTRIC SYSTEM**

WHEREAS, pursuant to Section 5922(c) of the California Government Code, the City of Riverside (the “**City**”) is authorized to enter into agreements to provide liquidity in connection with indebtedness of the City; and

WHEREAS, pursuant to Section 1108 of the City Charter (the “**City Charter**”), the City Council (the “**City Council**”) of the City is authorized to provide for the issuance of Revenue Bonds (as defined in the City Charter), notes or other evidences of indebtedness, by state law or by procedural ordinance for any City purpose; and

WHEREAS, the City Council adopted Ordinance No. 5001 on April 20, 1982, as amended by Ordinance Nos. 5071 and 6815 adopted by the City Council on March 22, 1983 and July 26, 2005, respectively, providing the procedure for the issuance of such Revenue Bonds, notes or other evidences of indebtedness; and

WHEREAS, pursuant to Resolution No. 17664 adopted by the City Council on January 8, 1991 (as amended and supplemented from time to time, the “**Water Master Resolution**”), the City Council has heretofore authorized the issuance of Subordinate Obligations (as defined in the Water Master Resolution) of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on, and any redemption premiums thereon being secured by and payable solely from the Net Operating Revenues of the Water System (as such terms are defined in the Water Master Resolution) on a subordinate basis to Bonds (as defined in the Water Master Resolution); and

WHEREAS, pursuant to Resolution No. 17686 adopted by the City Council on February 19, 1991 (the “**First Supplemental Water Resolution**”), the City has issued its Water Revenue Bonds, Issue of 1991 (the “**1991 Water Bonds**”); and

WHEREAS, pursuant to Resolution No. 19263 adopted by the City Council on April 28, 1998 (the “**Second Supplemental Water Resolution**”), the City has issued its Water Refunding/Revenue Bonds, Issue of 1998 (the “**1998 Water Bonds**”); and

WHEREAS, pursuant to Resolution No. 19968 adopted by the City Council on July 24, 2001 (the “**Third Supplemental Water Resolution**”), the City has issued its Water Revenue Bonds, Issue of 2001 (the “**2001 Bonds**”); and

WHEREAS, pursuant to Resolution No. 21038 adopted by the City Council on September 13, 2005 (the “**Fourth Supplemental Water Resolution**”), the City has issued its Water Refunding/Revenue Bonds, Issue of 2005 (the “**2005 Water Bonds**”); and

WHEREAS, pursuant to Resolution No. 21621 adopted by the City Council on May 6, 2008 (the “**Fifth Supplemental Water Resolution**”), the City has issued its Variable Rate Refunding Water Revenue Bonds, Issue of 2008A (the “**2008A Water Bonds**”); and

WHEREAS, pursuant to Resolution No. 21622 adopted by the City Council on May 6, 2008 (the “**Sixth Supplemental Water Resolution**”), the City has issued its Water Revenue Bonds, Issue of 2008B (the “**2008B Water Bonds**”); and

WHEREAS, pursuant to Resolution No. 21935 adopted by the City Council on November 17, 2009 (the “**Seventh Supplemental Water Resolution**”), the City has issued its Water Revenue/Refunding Bonds, Issue of 2009A (the “**2009A Water Bonds**”) and its Water Revenue Bonds, Issue of 2009B (Federally Taxable-Build America Bonds) (the “**2009B Water Bonds**”), each of which remain outstanding; and

WHEREAS, pursuant to Resolution No. 22203 adopted by the City Council on April 26, 2011 (the “**Eighth Supplemental Water Resolution**”), the City has issued its Variable Rate Refunding Water Revenue Bonds, Issue of 2011A (Index Interest Rate Period) (the “**2011A Water Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 23410 adopted by the City Council on January 22, 2019 (the “**Ninth Supplemental Water Resolution**”), the City has issued its Water Revenue/Refunding Bonds, Issue of 2019 (the “**2019A Water Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 23411 adopted by the City Council on January 22, 2019 (the “**Tenth Supplemental Water Resolution**”), the City has entered into a Revolving Credit Agreement, dated as of February 1, 2019 (the “**Credit Agreement**”), with U.S. Bank National Association (the “**Bank**”) for the benefit of the Water System; and

WHEREAS, pursuant to Resolution No. 17662 adopted by the City Council on January 8, 1991 (as amended and supplemented from time to time, the “**Electric Master Resolution**”), the City Council has heretofore authorized the issuance of Subordinate Obligations (as defined in the Electric Master Resolution) of the City by adoption of supplemental resolutions from time to time, with the payment of the principal, interest on, and any redemption premiums thereon being secured by and payable solely from the Net Operating Revenues of the Electric System (as such terms are defined in the Electric Master Resolution) on a subordinate basis to Bonds (as defined in the Electric Master Resolution); and

WHEREAS, pursuant to Resolution No. 17685 adopted by the City Council on February 19, 1991 (the “**First Supplemental Electric Resolution**”), the City has issued its Electric Revenue Bonds, Issue of 1991 (the “**1991 Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 18182 adopted by the City Council on February 23, 1993, as amended and restated by Resolution No. 18205 adopted by the City Council on March 23, 1993 (the “**Second Supplemental Electric Resolution**”), the City has issued its Electric Refunding Revenue Bonds, Issue of 1993 (the “**1993 Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 19262 adopted by the City Council on April 28, 1998 (the “**Third Supplemental Electric Resolution**”), the City has issued its Electric Refunding/Revenue Bonds, Issue of 1998 (the “**1998 Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 19967 adopted by the City Council on July 24, 2001 (the “**Fourth Supplemental Electric Resolution**”), the City has issued its Electric Revenue Bonds, Issue of 2001 (the “**2001 Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 20420 adopted by the City Council on May 27, 2003 (the “**Fifth Supplemental Electric Resolution**”), the City has issued its Electric Refunding Revenue Bonds, Issue of 2003 (the “**2003 Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 20674 adopted by the City Council on May 11, 2004 (the “**Sixth Supplemental Electric Resolution**”), the City has issued its Electric Revenue Bonds, Issue of 2004A (the “**2004A Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 20675 adopted by the City Council on May 11, 2004 (the “**Seventh Supplemental Electric Resolution**”), the City has issued its Electric Revenue Bonds, Issue of 2004B (the “**2004B Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 21035 adopted by the City Council on September 13, 2005 (the “**Eighth Supplemental Electric Resolution**”), the City has issued its Electric Refunding/Revenue Bonds, Issue of 2005A (the “**2005A Electric Bonds**”), and

WHEREAS, pursuant to Resolution No. 21036 adopted by the City Council on September 13, 2005 (the “**Ninth Supplemental Electric Resolution**”), the City has issued its Electric Refunding/Revenue Bonds, Issue of 2005B (the “**2005B Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 21611 adopted by the City Council on April 22, 2008 (the “**Tenth Supplemental Electric Resolution**”), the City has issued its Variable Rate Refunding Electric Revenue Bonds, Issue of 2008A (the “**2008A Electric Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 21612 adopted by the City Council on April 22, 2008 (the “**Eleventh Supplemental Electric Resolution**”), the City has issued its Variable Rate Refunding Electric Revenue Bonds, Issue of 2008B (the “**2008B Electric Bonds**”); and

WHEREAS, pursuant to Resolution No. 21613 adopted by the City Council on April 22, 2008 (the “**Twelfth Supplemental Electric Resolution**”), the City has issued its Variable Rate Refunding Electric Revenue Bonds, Issue of 2008C (the “**2008C Electric Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 21614 adopted by the City Council on April 22, 2008 (the “**Thirteenth Supplemental Electric Resolution**”), the City has issued its Electric Revenue Bonds, Issue of 2008D (the “**2008D Electric Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 21934 adopted by the City Council on November 17, 2009 (the “**Fourteenth Supplemental Electric Resolution**”), the City has issued its Electric Revenue Refunding Bonds, Issue of 2009A (the “**2009A Electric Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 22127 adopted by the City Council on November 23, 2010 (the “**Fifteenth Supplemental Electric Resolution**”), the City has issued its Electric Revenue Bonds, Issue of 2010A (Federally Taxable Build America Bonds – Direct Payment) (the “**2010A**”

Electric Bonds”), and its Electric Revenue Bonds, Issue of 2010B (Tax-Exempt; Bank Qualified) (the “**2010B Electric Bonds**”), each of which remain outstanding; and

WHEREAS, pursuant to Resolution No. 22193 adopted by the City Council on April 5, 2011 (the “**Sixteenth Supplemental Electric Resolution**”), the City issued its Variable Rate Refunding Electric Revenue Bonds, Issue of 2011A (the “**2011A Electric Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 22537 adopted by the City Council on June 18, 2013 (the “**Seventeenth Supplemental Electric Resolution**”), the City issued its Refunding Electric Revenue Bonds, Issue of 2013A (the “**2013A Electric Bonds**”) and its Taxable Electric Revenue Bonds, Issue of 2013B (the “**2013B Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 23409 by the City Council on January 22, 2019 (the “**Eighteenth Supplemental Electric Resolution**”), the City issued its City of Riverside Refunding Electric Revenue Bonds, Issue of 2019 (the “**2019 Electric Bonds**”), which remain outstanding; and

WHEREAS, pursuant to Resolution No. 23412 adopted by the City Council on January 22, 2019 (the “**Nineteenth Supplemental Electric Resolution**”), the City has entered into the Credit Agreement with the Bank for the benefit of the Electric System; and

WHEREAS, under the Credit Agreement, the City may borrow moneys from time to time from the Bank in a principal amount not to exceed \$25,000,000 at any time for the benefit of the Water System and in a principal amount not to exceed \$35,000,000 at any time for the benefit of the Electric System; and

WHEREAS, the Credit Agreement currently provides liquidity for Water System and Electric System indebtedness, a source of financing for working capital for the Water System and Electric System and a source of funding for capital improvements of the Water System and Electric System; and

WHEREAS, loans under the Credit Agreement are secured by certain Net Operating Revenues of the Water System on a basis subordinate to Bonds (as such terms are defined in the Water Master Resolution), and other available moneys (but only to the extent set forth in the Credit Agreement), or by certain Net Operating Revenues of the Electric System on a basis subordinate to Bonds (as such terms are defined in the Electric Master Resolution), and other available moneys (but only to the extent set forth in the Credit Agreement), as applicable; and

WHEREAS, the obligations payable by the City under the Credit Agreement shall be evidenced by one or more promissory notes (each, a “**Note**” and collectively, the “**Notes**”) executed by the City in favor of the Bank; and

WHEREAS, the Credit Agreement matures on February 1, 2022; and

WHEREAS, under the current terms of the Credit Agreement, the Notes (of which no principal amounts are currently outstanding) shall bear interest at a rate that is derived from the London Interbank Offered Rate (“**LIBOR**”) for United States Dollars (“**USD**”); and

WHEREAS, USD LIBOR will be discontinued on June 30, 2023; and

WHEREAS, the City desires to extend the term of the Credit Agreement and to change the index from which the rate that the Notes bear interest is derived; and

WHEREAS, the Bank has proposed to extend the term of the Credit Agreement to August 1, 2025 and to substitute the Bloomberg Short-Term Bank Yield Index as the index from which the rate that the Notes bear interest is derived; and

WHEREAS, the Bank and the City desire to amend and restate the Credit Agreement (such amendment and restatement, the “**A&R Credit Agreement**”) and the associated Notes to reflect the foregoing matters; and

WHEREAS, the City has determined that the execution and delivery of the A&R Credit Agreement and the Notes are in the best interest of the City, and the health, safety and welfare of its residents, and are of benefit to the City and comply with all requirements of the Law (as such term is defined in the Water Master Resolution) and California law related thereto, including with respect to the principal amount, term and interest rate thereof;

NOW, THEREFORE, THE CITY COUNCIL DOES HEREBY RESOLVE, DETERMINE AND ORDER as follows:

Section 1. Approval of Amended and Restated Revolving Credit Agreement. The Treasurer (or any duly authorized designee thereof) is authorized, empowered and directed to execute and deliver the A&R Credit Agreement in substantially the form submitted to this meeting and on file with the City Clerk with such changes therein as such officer shall deem appropriate and in the best interests of the City, as conclusively evidenced by his or her execution thereof.

Section 2. Approval of Notes. The Treasurer (or any duly authorized designee thereof) is authorized, empowered and directed to execute and deliver one or more Notes with the series designations and in substantially the forms attached as exhibits to the A&R Credit Agreement with such changes therein as such officer shall deem appropriate and in the best interests of the City, as conclusively evidenced by his or her execution thereof; provided, however, that the total amount outstanding under the Notes at any time shall not exceed \$25,000,000 for the Water System and \$35,000,000 for the Electric System. The Notes shall bear interest, mature and be payable and be subject to redemption as set forth in the exhibits to the A&R Credit Agreement.

Section 3. Further Action. The City Manager, the Treasurer, the Chief Financial Officer and the Public Utilities General Manager of the City (or any duly authorized designee of any of such officers) is each hereby authorized, empowered and directed to execute such other documents in addition to those enumerated herein and take such other actions as each deems necessary or advisable in order to consummate the execution and delivery of the A&R Credit Agreement and the Notes and otherwise to carry out, give effect to and comply with the terms and intent of this Resolution and the actions herein authorized or contemplated (including, but not limited to, executing such documents or taking such actions as may be necessary to arrange for the execution of such instructions and directions on behalf of the City to effect the transactions described in this Resolution). Such actions heretofore taken by such officers or their designees are hereby ratified, confirmed and approved.

Section 4. Definitions. All capitalized terms which are used herein but not defined have the meanings which are set forth in the Water Master Resolution, as supplemented by the Tenth Supplemental Water Resolution.

Section 5. Effective Date of Resolution. This Resolution shall take effect upon the approval of a majority of the members of the City Council, as provided in the Law.

ADOPTED by the City Council this _____ day of _____, 2022.

PATRICIA LOCK DAWSON
Mayor of the City of Riverside

ATTEST:

DONESIA GAUSE
City Clerk of the City of Riverside

I, Donesia Gause, City Clerk of the City of Riverside, California, hereby certify that the foregoing resolution was duly and regularly adopted by the City Council of said City at its meeting held on the ____ day of _____, 2022, by the following vote, to wit:

Ayes:

Noes:

Absent:

Abstain:

IN WITNESS WHEREOF I have hereunto set my hand and affixed the official seal of the City of Riverside, California, this ____ day of _____, 2022.

DONESIA GAUSE
City Clerk of the City of Riverside