

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA, AUTHORIZING CERTAIN ACTIONS RELATED TO AN INTEREST RATE RESET AND REMARKETING OF THE PREVIOUSLY AUTHORIZED AND ISSUED VARIABLE RATE REFUNDING WATER REVENUE BONDS, ISSUE OF 2011A

WHEREAS, pursuant to Section 1108 of the City Charter (the “**City Charter**”), the City Council (the “**City Council**”) of the City of Riverside (the “**City**”) is authorized to provide for the issuance of Revenue Bonds (as defined in the City Charter) 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; 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 “**Master Resolution**”), the City Council has heretofore authorized the issuance of Water Revenue Bonds (the “**Bonds**”) 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 (as defined in the Master Resolution); and

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

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

WHEREAS, pursuant to Resolution No. 19968 adopted by the City Council on July 24, 2001 (the “**Third Supplemental 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 Resolution**”), the City has issued its Water Refunding/Revenue Bonds, Issue of 2005 (the “**2005 Bonds**”); and

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

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

WHEREAS, pursuant to Resolution No. 21935 adopted by the City Council on November 17, 2009 (the “**Seventh Supplemental Resolution**”), the City has issued its Water Revenue/Refunding Bonds, Issue of 2009A (the “**2009A Bonds**”) and its Water Revenue Bonds, Issue of 2009B (Federally Taxable-Build America Bonds) (the “**2009B 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 Resolution**”), the City has issued its Variable Rate Refunding Water Revenue Bonds, Issue of 2011A (Index Interest Rate Period) (the “**2011A Bonds**”), which remain outstanding; and

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

WHEREAS, pursuant to Resolution No. 23411 adopted by the City Council on January 22, 2019 (the “**Tenth Supplemental Resolution**”), the City has entered into a Revolving Credit Agreement with U.S. Bank National Association, which remains outstanding; and

WHEREAS, the 2011A Bonds were issued on May 26, 2011 as Variable Rate Indebtedness in the initial aggregate principal amount of \$59,000,000, of which \$24,050,000 remains outstanding; and

WHEREAS, so long as the 2011A Bonds are outstanding as Variable Rate Indebtedness, the City will need to Convert the 2011A Bonds to a new Interest Rate Period from time to time under the Eighth Supplemental Resolution; and

WHEREAS, the 2011A Bonds currently bear interest in an Index Interest Rate Period at the SIFMA Index Interest Rate, with an Index Rate Scheduled Purchase Date of January 15, 2020; and

WHEREAS, on or prior to the Index Rate Scheduled Purchase Date of January 15, 2020, the City desires to Convert the Interest Rate Period of the 2011A Bonds to a new Index Interest Rate Period at the SIFMA Index Interest Rate, all as provided for and contemplated by the Eighth Supplemental Resolution;

WHEREAS, it is desirable that the City Council authorize certain actions related to the designation of a new Index Interest Rate Period and the associated remarketing of the 2011A Bonds, all as provided for and contemplated by the Eighth Supplemental Resolution; and

WHEREAS, in order to ensure the effective administration of the 2011A Bonds in the future, the City Council desires to amend certain provisions of the Eighth Supplemental Resolution as described herein;

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

Section 1. Affirmation of Authority to Reset Interest Rate Period. In the Eighth Supplemental Resolution, the City Council previously authorized the issuance of the 2011A Bonds as Variable Rate Indebtedness and approved the provisions relating to the reset of the Interest Rate Period. So long as the reset of the Interest Rate Period applicable to the 2011A Bonds is effected pursuant to the provisions of the Eighth Supplemental Resolution, the City Council hereby affirms that the

Treasurer (or any duly authorized designee thereof) is hereby authorized, empowered and directed to take any and all actions, including the execution and delivery of such appropriate notices, instructions or certificates related to the reset of the Interest Rate Period, including the tender, purchase and remarketing of the 2011A Bonds.

Section 2. Approval of Remarketing Statement and Supplement Thereto. The preparation of a remarketing statement with respect to the 2011A Bonds (the “**Remarketing Statement**”) is hereby authorized and approved. The Remarketing Agent is hereby authorized to distribute the Remarketing Statement (in printed form and/or by posting electronically) in connection with the remarketing of the 2011A Bonds. The Treasurer and the Public Utilities General Manager of the City (or any duly authorized designee of either of such officers) are hereby authorized, empowered and directed, collectively, to execute the Remarketing Statement in substantially the form presented to this meeting and on file with the City Clerk, with such changes therein as such officers shall deem appropriate, as conclusively evidenced by their collective execution thereof.

In addition, the Treasurer and the Public Utilities General Manager of the City (or any duly authorized designee of either of such officers) are hereby authorized, empowered and directed, collectively, to approve for distribution and/or execute a supplement to the Remarketing Statement reflecting certain information relating to the new Interest Rate Period for the 2011A Bonds, including the Applicable Index Spread, the Index Rate Scheduled Purchase Date, the Call Protection Date and any other matters in the Remarketing Statement which are required to be updated prior to the tender, purchase, remarketing and interest rate reset of the 2011A Bonds.

Section 3. Amendment to Eighth Supplemental Resolution. Pursuant to Sections 8.01(B)(2) and 8.01(B)(7) of the Master Resolution, the City Council hereby amends the Eighth Supplemental Resolution as follows:

The first sentence of Section 2.1(D) of Exhibit C to the Eighth Supplemental Resolution is hereby deleted in its entirety and replaced with the following:

“No later than the date that is two (2) Business Days before each Index Rate Scheduled Purchase Date, the Remarketing Agent will determine the Applicable Index Spread with respect to the Index Interest Rate Period immediately following such Index Rate Scheduled Purchase Date.”

Section 4. Engagement of Professional Services. The City Council affirms the previous appointment of Stifel, Nicolaus & Company, Incorporated as Remarketing Agent for the 2011A Bonds under a currently effective Remarketing Agreement. The remarketing fee paid to the Remarketing Agent may include such ordinary and customary costs as determined to be appropriate by the Treasurer (or any duly authorized designee of such officer), including legal fees of the Remarketing Agent’s counsel. The City Council affirms the previous appointment of PFM Financial Advisors LLC to act as financial advisor to the City, and appoints Stradling Yocca Carlson & Rauth, a Professional Corporation, to act as bond and disclosure counsel to the City, in connection with the interest rate reset and tender, purchase and remarketing of the 2011A Bonds.

The Treasurer (or any duly authorized designee of such officer) is hereby authorized, empowered and directed to enter into an agreement with each of such firms as determined to be appropriate in connection with the interest rate reset and tender, purchase and remarketing of the 2011A

Bonds. The Treasurer (or any duly authorized designee of such officer) is hereby authorized to pay costs of such firms in connection with the interest rate reset and tender, purchase and remarketing of the 2011A Bonds from the City's Water Revenue Fund.

Section 5. 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 interest rate reset and tender, purchase and remarketing of the 2011A Bonds 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 6. Definitions. All capitalized terms which are used herein but not defined have the meanings which are set forth in the Master Resolution, as supplemented by the Eighth Supplemental Resolution.

Section 7. 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 _____, 2019.

WILLIAM R. BAILEY, III
Mayor of the City of Riverside

ATTEST:

COLLEEN J. NICOL
City Clerk of the City of Riverside

I, Colleen J. Nicol, 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 _____, 2019, 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 _____, 2019.

COLLEEN J. NICOL
City Clerk of the City of Riverside