

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
RIVERSIDE, CALIFORNIA, AUTHORIZING CERTAIN ACTIONS RELATED TO AN
INTEREST RATE MODE CONVERSION 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**”), of which the 2009B Bonds 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, dated as of February 1, 2019 (the “**Original Credit Agreement**”), with U.S. Bank National Association (the “**Bank**”) for the benefit of the Water System; and

WHEREAS, pursuant to Resolution No. 23814 adopted by the City Council on January 18, 2022, the City has entered into an Amended and Restated Revolving Credit Agreement amending and restating the Original Credit Agreement, dated as of February 1, 2022 (the “**Credit Agreement**”), with the Bank for the benefit of the Water System; and

WHEREAS, pursuant to a resolution adopted by the City Council on the date hereof (the “**Eleventh Supplemental Resolution**”), the City is issuing its City of Riverside Water Revenue Bonds, Issue of 2022A (the “**2022A Bonds**”); and

WHEREAS, the City desires to remove the current Remarketing Agent for the 2011A Bonds and appoint RBC Capital Markets, LLC (“**RBCCM**”) as the Remarketing Agent for the 2011A Bonds; 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, or refund the 2011A Bonds, in either case in accordance with 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 18, 2023; and

WHEREAS, on or prior to the Index Rate Scheduled Purchase Date of January 18, 2023, the City proposes to remarket the 2011A Bonds in a new interest rate mode to be determined by the City; and

WHEREAS, the City has determined to enter into a Letter of Credit Reimbursement Agreement (the “**LCRA**”) with PNC Bank, National Association (“**PNC**”), pursuant to which PNC

will provide a letter of credit supporting the 2011A Bonds after their conversion to a new interest rate mode; and

WHEREAS, the City Council has determined that it is in the best interest of the City to authorize the execution and delivery of notices of remarketing and mandatory tender, as required by the Eighth Supplemental Resolution; and

WHEREAS, in connection with the original issuance of the 2011A Bonds, the City entered into a Continuing Disclosure Certificate under Rule 15c2-12 adopted by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (“**Rule 15c2-12**”); and

WHEREAS, in connection with the conversion of the interest rate mode and remarketing of the 2011A Bonds, the City desires to amend and restate the Continuing Disclosure Certificate in order to reflect certain amendments to Rule 15c2-12 which were adopted in 2019 relating to the City’s “financial obligations” (as such term is defined in Rule 15c2-12); and

WHEREAS, there have been presented to the City Council copies of each of the aforementioned documents and certain other documents relating to the foregoing; and

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

Section 1. Affirmation of Authority to Convert 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 conversion of the Interest Rate Period. So long as a conversion 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 City Manager, the Chief Financial Officer/Treasurer, the Assistant Chief Financial Officer and the Public Utilities General Manager of the City, or any duly authorized designee of any of such officers, and each of them (collectively, the “**Authorized Officers**”), are 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 conversion of the Interest Rate Period, including the tender, purchase and remarketing of the 2011A Bonds.

Section 2. Appointment of Remarketing Agent and Execution of Remarketing Agreement. The City Council has determined that it is in the best interests of the City to remove the current Remarketing Agent for the 2011A Bonds and to appoint RBCCM as the Remarketing Agent for the 2011A Bonds prior to the conversion of the Interest Rate Period and remarketing of the 2011A Bonds. The Authorized Officers are hereby authorized, empowered and directed to take any such actions and to execute and deliver any such notices as are required to remove the current Remarketing Agent and appoint RBCCM as the Remarketing Agent for the 2011A Bonds. Any actions taken by such officers with respect to the removal of the current Remarketing Agent for the 2011A Bonds and the appointment of RBCCM as the Remarketing Agent for the 2011A Bonds prior to the date of this resolution are hereby ratified, confirmed and approved.

Furthermore, the execution of a Remarketing Agreement with RBCCM is hereby authorized and approved in substantially the form to this meeting and on file with the City Clerk. The Authorized Officers are hereby authorized, empowered and directed to execute the Remarketing Agreement with RBCCM reflecting its appointment as Remarketing Agent under the Eighth

Supplemental Resolution. The remarketing fee paid to the Remarketing Agent may include such ordinary and customary costs as determined to be appropriate by the Chief Financial Officer/Treasurer (or any duly authorized designee of such officer), including legal fees of the Remarketing Agent's counsel.

Section 3. Authorization to Undertake Remarketing. The Authorized Officers are hereby authorized, empowered and directed to take any such actions and to execute and deliver any such notices and agreements as are required to effect the remarketing of the 2011A Bonds in a new interest rate mode, provided that such officers determine, in consultation with Bond Counsel and PFM Financial Advisors LLC ("PFM"), the City's municipal advisor: (a) that the interest rate mode selected is in the best interest of the City; and (b) subject to the determinations of such officers, in consultation with Bond Counsel and PFM: (i) the timing of the effectuation of the remarketing; (ii) the new interest rate mode in which the 2011A Bonds will bear interest; and (iii) such other terms and conditions of the 2011A Bonds as are determined to be necessary in order to effect the remarketing.

Section 4. Approval of Remarketing Statement. The preparation of a remarketing statement with respect to the 2011A Bonds (the "**Remarketing Statement**") is hereby authorized and approved in substantially the form presented to this meeting and on file with the City Clerk. 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 Authorized 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 its execution thereof.

In addition, the Authorized 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 initial interest rate and any other matters in the Remarketing Statement which are required to be updated prior to the tender, purchase, remarketing and interest rate conversion of the 2011A Bonds.

Section 5. Approval of Letter of Credit Reimbursement Agreement. The LCRA, together with a related Fee Agreement, with PNC are approved in substantially the forms presented to this meeting and on file with the City Clerk (as the same may be modified and completed pursuant to the provisions of this Resolution); and the Authorized Officers are hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the LCRA and related Fee Agreement in substantially the forms 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.

Section 6. Engagement of Professional Services. The City Council affirms the previous appointment of PFM to act as municipal 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 conversion and tender, purchase and remarketing of the 2011A Bonds. The Chief Financial Officer/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 remarketing of the 2011A Bonds. The Chief

Financial Officer/Treasurer (or any duly authorized designee of such officer) is hereby authorized to pay costs of such firms in connection therewith from the City's Water Revenue Fund.

Section 7. Further Action. The Authorized Officers are hereby authorized, empowered and directed to execute such other documents in addition to those enumerated herein and to take such other actions as each deems necessary or advisable in order to consummate the 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: (a) 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; (b) executing agreements providing for the investment of the money on deposit in any of the funds and accounts established pursuant to any of the documents referred to herein; (c) executing such documents, agreements or notices as may be required to effect amendments to the Eighth Supplemental Resolution if determined to be in the best interest of the City to effect the remarketing; and (d) the execution and delivery of notices of an Index Rate Unscheduled Purchase Date with respect to the 2011A Bonds, which they may deem necessary or advisable in order to consummate the remarketing of the 2011A Bonds and otherwise to effectuate the purposes of this Resolution; and such actions previously taken by such officers or their designees are hereby ratified and confirmed.

Section 8. Approval of Amended and Restated Continuing Disclosure Certificate. The Amended and Restated Continuing Disclosure Certificate relating to the 2011A Bonds is approved in substantially the form presented to this meeting and on file with the City Clerk (as the same may be modified and completed pursuant to the provisions of this Resolution); and the Authorized Officers are hereby authorized and directed, for and in the name of and on behalf of the City, to execute, acknowledge and deliver the Amended and Restated Continuing Disclosure Certificate 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 the execution thereof.

Section 9. Amendment to Eighth Supplemental Resolution. The reference to "9:30 a.m." in the second paragraph of Section 2.03(E)(1) of the Eighth Supplemental Resolution is hereby revised to read "10:00 a.m."

Section 10. 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 11. 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 (as such term is defined in the Master Resolution).

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