

RESOLUTION NO.

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA, AUTHORIZING THE ADVANCE OF FUNDS FOR EXPANSION OF THE CITY OF RIVERSIDE'S RECYCLED WATER SYSTEM, SUBJECT TO LATER REIMBURSEMENT OF CITY EXPENDITURES BY THE STATE WATER RESOURCES CONTROL BOARD.

WHEREAS, the City of Riverside (the "City"), through its Department of Public Utilities, desires to finance the costs of constructing and/or reconstructing certain public facilities and improvements relating to its recycled water system, including certain treatment facilities, pipelines and other infrastructure (the "Project"); and

WHEREAS, the City intends to finance the construction and/or reconstruction of the Project or portions of the Project with monies ("Project Funds") provided by the State of California, acting by and through the State Water Resources Control Board ("State Water Board"); and

WHEREAS, the State Water Board may fund the Project Funds with proceeds from the sale of obligations and interest upon which is excluded from gross income for federal income tax purposes (the "Obligations"); and

WHEREAS, prior to either the issuance of the Obligations or the approval by the State Water Board of the Project Funds, the City desires to incur certain capital expenditures (the "Expenditures") with respect to the Project from available monies of the City; and

WHEREAS, the City has determined that those monies to be advanced on and after the date hereof to pay the Expenditures are available only for a temporary period, and it is necessary for the State Water Board to reimburse the City for the Expenditures from the proceeds of the Obligations.

NOW, THEREFORE, THE CITY DOES HEREBY RESOLVE, ORDER AND DETERMINE AS FOLLOWS:

SECTION 1. The City hereby states its intention to advance the required Expenditures for the Project based on the City's expectation that the State Water Board reimburse such Expenditures from the net proceeds of the Obligations.

1 SECTION 2. The reasonably expected maximum principle amount of the Project Fund is
2 \$21,314,930.

3 SECTION 3. This resolution is being adopted no later than 60 days after the date on which
4 the City will expend monies for the construction portion of the Project costs to be reimbursed with
5 Project Funds.

6 SECTION 4. Each City expenditure will be of a type properly chargeable to a capital
7 account under general federal income tax principles.

8 SECTION 5. To the best of our knowledge, this City is not aware of the previous adoption
9 of official intents by the City that have been made as a matter of course for the purpose of
10 reimbursing expenditures and for which tax-exempt obligations have not been issued other than
11 Resolution No. 22849, adopted on May 19, 2015, a copy of which is attached hereto as Exhibit A.

12 SECTION 6. This resolution is adopted as official intent of the City in order to comply
13 with Treasury Regulation §1.150-2 and any other regulations of the Internal Revenue Service
14 relating to the qualification for reimbursement of Project costs.

15 SECTION 7. All the recitals in this Resolution are true and correct, and this City so finds,
16 determines and represents.

17 ADOPTED by the City Council this _____ day of _____, 2016.

20 _____
WILLIAM R. BAILEY, III
21 Mayor of the City of Riverside

22 Attest:

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24 _____
25 COLLEEN J. NICOL
26 City Clerk of the City of Riverside
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I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the foregoing resolution was duly and regularly adopted at a meeting of the City Council on the _____ day of _____, 2016, 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 _____, 2016.

COLLEEN J. NICOL
City Clerk of the City of Riverside

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EXHIBIT A
CITY COUNCIL RESOLUTION 22849

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RESOLUTION NO. 22849

A RESOLUTION OF THE CITY COUNCIL OF THE CITY OF RIVERSIDE, CALIFORNIA, DECLARING ITS OFFICIAL INTENT TO REIMBURSE QUALIFIED CAPITAL EXPENDITURES RELATING TO THE WATER UTILITY'S FIVE-YEAR CAPITAL IMPROVEMENT PROGRAM FROM ANTICIPATED BOND PROCEEDS

WHEREAS, the City Council of the City of Riverside ("City"), through its Department of Public Utilities, intends to undertake construction of various facilities for its Water Utility as set forth in the Water Utility's five-year capital improvement program ("CIP Project"); and

WHEREAS, the City intends to issue debt to finance the costs of the CIP Project on a permanent basis ("Debt"); and

WHEREAS, the City intends to expend monies for the CIP Project from the Water Utility Fund prior to issuance of the Debt; and

WHEREAS, the City reasonably intends to reimburse the Water Utility Fund for the amounts advanced for the CIP Project from proceeds of the Debt; and

WHEREAS, the City expects that the maximum principal amount of the Debt to be issued to pay for the CIP Project and related costs of issuance and the Debt will be in an amount not to exceed the sum of Fifty Million Dollars (\$50,000,000.00); and

WHEREAS, at the time of reimbursement, the City will evidence the reimbursement in a writing which identifies the allocation of the proceeds of the Debt to the City for the purpose of reimbursing the Water Utility operating fund for the capital expenditures made prior to the issuance of the Debt; and

WHEREAS, the City expects to make the reimbursement allocation no later than eighteen (18) months after the later of (i) the date on which the earliest original expenditure is paid, or (ii) the date the Project is complete and placed in service, but in no event later than three (3) years after the date on which the earliest original expenditure is paid; and

WHEREAS, the City will not, within one (1) year of the reimbursement allocation, use the proceeds of the Debt received in the reimbursement allocation in a manner that will result in the creation of replacement proceeds of the Debt or another issue (e.g., the City will not pledge or use the proceeds of Debt or another issue, e.g., the City will not pledge or use the proceeds received for

1 the payment of debt service on the Debt of another issue, except that the proceeds of the Debt can be
2 deposited in a bona fide debt service fund); and


3 WHEREAS, this Resolution is intended to be a "declaration of official intent" in accordance
4 with Section 1.150-2 of the Treasury Regulations.

5 NOW, THEREFORE, BE IT RESOLVED by the City Council of the City of Riverside,
6 California, that in accordance with Treasury Regulation Section 1.150-2, the City hereby states its
7 declaration of official intent to issue the Debt in a maximum principal amount of not to exceed Fifty
8 Million Dollars (\$50,000,000.00), the proceeds of which will be used to pay the costs of the CIP
9 Project, and which will include reimbursement to the City's Water Fund for certain capital
10 expenditures made for the CIP Project prior to issuance of the Debt.

11 ADOPTED by the City Council this 19th day of May, 2015.

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13 
14 WILLIAM R. BAILEY, III
Mayor of the City of Riverside

15 Attest:

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17 COLLEEN J. NICOL
18 City Clerk of the City of Riverside
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1 I, Colleen J. Nicol, City Clerk of the City of Riverside, California, hereby certify that the
2 foregoing resolution was duly and regularly adopted at a meeting of the City Council on the 19th day
3 of May, 2015, by the following vote, to wit:

4 Ayes: Councilmembers Gardner, Melendrez, Soubirous, Perry and Adams

5 Noes: None

6 Absent: Councilmember Davis

7 Abstained: None

8 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the
9 City of Riverside, California, this 22nd day of May, 2015.

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12 COLLEEN J. NICOL
13 City Clerk of the City of Riverside
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