

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

23 Attest:

24 _____
25 COLLEEN J. NICOL
26 City Clerk of the City of Riverside
27
28

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 ____
3 day of _____, 2016, by the following vote, to wit:

4 Ayes:

5 Noes:

6 Absent:

7 Abstain:

8 IN WITNESS WHEREOF, I have hereunto set my hand and affixed the official seal of the
9 City of Riverside, California, this ____ day of _____, 2016.

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13 _____
14 COLLEEN J. NICOL
15 City Clerk of the City of Riverside
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EXHIBIT A
CITY COUNCIL RESOLUTION 22849

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