

RESOLUTION NO. _____

**RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
RIVERSIDE, CALIFORNIA, AUTHORIZING A SUBORDINATE LINE OF CREDIT FOR
THE WATER SYSTEM IN AN AGGREGATE PRINCIPAL AMOUNT
NOT TO EXCEED \$60,000,000 AND MAKING CERTAIN OTHER FINDINGS IN
CONNECTION THEREWITH, AND APPROVING THE EXECUTION
AND DELIVERY OF CERTAIN DOCUMENTS IN CONNECTION THEREWITH
(TENTH SUPPLEMENTAL RESOLUTION)**

TABLE OF CONTENTS

	Page
ARTICLE I	
AUTHORIZATION OF CREDIT AGREEMENT	
Section 1.01	Determinations..... 3
Section 1.02	Definitions 3
ARTICLE II	
APPLICATION; FUNDS; COVENANTS	
Section 2.01	Application of the Proceeds of the Credit Agreement 3
ARTICLE III	
APPROVAL OF CREDIT AGREEMENT AND OTHER ACTIONS	
Section 3.01	Approval of Credit Agreement 4
Section 3.02	Approval of Notes..... 4
Section 3.03	Further Action..... 4
ARTICLE IV	
MISCELLANEOUS	
Section 4.01	Credit Agreement and Notes Subject to the Master Resolution 4
Section 4.02	Severability of Invalid Provisions 5
Section 4.03	Article and Section Headings and References Interpretation 5
Section 4.04	Governing Law 5
Section 4.05	Effective Date of Tenth Supplemental Resolution 5

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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 notes or other evidences of indebtedness by state law or by procedural ordinance for any City purpose; and

WHEREAS, the City Council of the City on April 20, 1982 adopted Ordinance No. 5001, as amended by Ordinance No. 5071 and Ordinance No. 6815 adopted by the City Council of the City on March 22, 1983 and July 26, 2005, respectively, providing the procedure for the issuance of such 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 “**Master Resolution**”), the City Council has heretofore authorized the issuance of Subordinate Obligations (as defined in the 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 (as defined in the Master Resolution) on a subordinate basis to Bonds (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**”), which remain outstanding; 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 a resolution to be adopted by the City Council on January 22, 2019 (the “**Ninth Supplemental Resolution**”), the City intends to issue its Water Revenue/Refunding Bonds, Issue of 2019A (the “**2019A Bonds**”), which are expected to be issued on or about February 26, 2019; and

WHEREAS, the City desires to enter into a facility that will provide liquidity to the City in connection with its outstanding Water System (as such term is defined in the Master Resolution) and electric system indebtedness, finance working capital for the Water System and the City’s electric system, finance capital improvements of the Water System and the City’s electric system, and/or serve other lawful purposes of the City; and

WHEREAS, in connection with the foregoing, the City desires to establish a revolving line of credit and to borrow moneys from time to time from U.S. Bank National Association (the “**Bank**”) in a principal amount not to exceed \$60,000,000 at any time pursuant to a Revolving Credit Agreement (the “**Credit Agreement**”) between the City and the Bank in substantially the form submitted to this meeting and on file with the City Clerk; and

WHEREAS, the Credit Agreement establishes the basic terms and conditions under which the Bank will make loans to the City from time to time, which loans will be secured by certain Net Operating Revenues of the Water System on a basis subordinate to Bonds, net operating revenues of the City’s electric system and other available moneys (but only to the extent set forth in the Credit Agreement); 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 in substantially the form submitted to this meeting and on file with the City Clerk; and

WHEREAS, the City has determined that the Credit Agreement and the Notes shall constitute Subordinate Obligations of the City under the Master Resolution; and

WHEREAS, the execution and delivery of the 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 complies with all requirements of the Law (as such term is defined in the Master Resolution) and California law related thereto, including with respect to the principal amount, term and interest rate thereof; and

WHEREAS, a public hearing on the Credit Agreement and the Notes was duly noticed, held and conducted in accordance with the Law; and

WHEREAS, it is desirable that the City Council provide for the execution and delivery of the Credit Agreement and the Notes at this time;

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

ARTICLE I

AUTHORIZATION OF CREDIT AGREEMENT

Section 1.01 Determinations. This Tenth Supplemental Resolution is adopted in accordance with the provisions of the Master Resolution. The City Council hereby determines that the execution and delivery of the Credit Agreement and the Notes as Subordinate Obligations to provide liquidity to the City in connection with its outstanding Water System and electric system indebtedness, finance working capital for Water System and the City's electric system, finance capital improvements of the Water System and the City's electric system and/or serve other lawful purposes of the City is advisable from an economic and financial standpoint. The Notes shall not be in book-entry form and shall not have CUSIP numbers.

Section 1.02 Definitions. All terms which are defined in Section 1.02 of the Master Resolution shall, unless otherwise defined herein, have the same meanings, respectively, in this Tenth Supplemental Resolution. Unless the context otherwise requires, the terms defined in this Section shall, for all purposes of this Tenth Supplemental Resolution and of any certificate, opinion or other document herein mentioned, have the meanings herein specified, to be equally applicable to both the singular and the plural forms of any of the terms herein defined. Unless otherwise defined in this Tenth Supplemental Resolution, all terms used herein shall have the meanings assigned to such terms by the Law.

ARTICLE II

APPLICATION; FUNDS; COVENANTS

Section 2.01 Application of the Proceeds of the Credit Agreement. Unless otherwise specified in a Certificate of the Treasurer, the proceeds of any borrowings under the Credit Agreement and evidenced by the Notes shall be deposited with the Treasurer and shall be held in trust and set aside by the Treasurer to provide liquidity to the City in connection with its outstanding Water System and electric system indebtedness, finance working capital for the Water System and the City's electric system, finance capital improvements of the Water System and the City's electric system, and/or serve other lawful purposes of the City. The Treasurer is hereby authorized to create

additional accounts or subaccounts to accomplish the purposes set forth in this Tenth Supplemental Resolution.

The moneys borrowed under the Credit Agreement and evidenced by the Notes shall be used and withdrawn by the Treasurer to provide liquidity to the City in connection with its outstanding Water System and electric system indebtedness, finance working capital for the Water System and the City's electric system, finance capital improvements of the Water System and the City's electric system, and/or serve other lawful purposes of the City.

ARTICLE III

APPROVAL OF CREDIT AGREEMENT AND OTHER ACTIONS

Section 3.01 Approval of Credit Agreement. The Treasurer (or any duly authorized designee thereof) is authorized, empowered and directed to execute and deliver the 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 3.02 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 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 (including amounts borrowed on behalf of the City's electric system) at any time shall not exceed \$60,000,000. The Notes shall bear interest, mature and be payable and be subject to redemption as set forth in the exhibits to the Credit Agreement.

Section 3.03 Further Action. The City Manager, the Treasurer, the Deputy Treasurer, the Public Utilities General Manager, the Finance Director and the Assistant Finance Director of the City (or any duly authorized designee of any of such officers) and each of them is hereby authorized, empowered and directed to execute such other documents in addition to those enumerated herein and take such other actions as they deem necessary or advisable in order to carry out and perform the purposes of this Tenth Supplemental Resolution and the Credit Agreement (including, but not limited to otherwise revising, supplementing or clarifying the provisions of this Tenth Supplemental Resolution as the Treasurer may deem advisable). Such actions heretofore taken by such officers or their designees are hereby ratified, confirmed and approved.

ARTICLE IV

MISCELLANEOUS

Section 4.01 Credit Agreement and Notes Subject to the Master Resolution. Except as expressly provided in this Tenth Supplemental Resolution, every term and condition contained in the Master Resolution shall apply to this Tenth Supplemental Resolution and to the Credit Agreement and the Notes with the same force and effect as if it were herein set forth at length, with such omissions, variations and modifications thereof as may be appropriate to make the same conform to this Tenth Supplemental Resolution.

Section 4.02 Severability of Invalid Provisions. If any one or more of the provisions contained in this Tenth Supplemental Resolution or in the Credit Agreement and the Notes shall for any reason be held to be invalid, illegal or unenforceable in any respect, then such provision or provisions shall be deemed severable from the remaining provisions contained in this Tenth Supplemental Resolution and such invalidity, illegality or unenforceability shall not affect any other provision of this Tenth Supplemental Resolution, and this Tenth Supplemental Resolution shall be construed as if such invalid, illegal or unenforceable provision had never been contained herein. The City Council hereby declares that it would have adopted this Tenth Supplemental Resolution and each and every other Section, paragraph, sentence, clause or phrase hereof and authorized the issuance of the 2019 Bonds pursuant thereto irrespective of the fact that any one or more Sections, paragraphs, sentences, clauses or phrases of this Tenth Supplemental Resolution may be held illegal, invalid or unenforceable.

Section 4.03 Article and Section Headings and References Interpretation. The headings or titles of the several Articles and Sections hereof, and any table of contents appended to copies hereof, shall be solely for convenience of reference and shall not affect the meaning, construction or effect of this Tenth Supplemental Resolution.

All references herein to “Article,” “Sections” and other subdivisions are to the corresponding Articles, Sections or subdivisions of this Tenth Supplemental Resolution; the words “herein,” “hereof,” “hereby,” “hereunder” and other words of similar import refer to this Tenth Supplemental Resolution as a whole and not to any particular Article, Section or subdivision hereof. Words of the masculine gender shall mean and include words of the feminine and neuter genders.

Section 4.04 Governing Law. This Tenth Supplemental Resolution shall be construed and governed in accordance with the laws of the State of California.

Section 4.05 Effective Date of Tenth Supplemental Resolution. This Tenth Supplemental Resolution shall take effect upon the approval of a majority of the members of the City Council, all 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