

RESOLUTION NO. _____

RESOLUTION OF THE CITY COUNCIL OF THE CITY OF
RIVERSIDE, CALIFORNIA, REGARDING INTENTION TO ISSUE TAX-EXEMPT
OBLIGATIONS

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. 17662 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 Electric 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, the City desires to finance the costs of acquiring, constructing, and installing certain public facilities and improvements related to its electric system, as provided in Exhibit A attached hereto and incorporated herein (the “**Project**”); and

WHEREAS, the City intends to finance the acquisition, construction, and installation of the Project or portions of the Project with the proceeds of the sale of Revenue Bonds or other obligations the interest upon which is excluded from gross income for federal income tax purposes (the “**Obligations**”); and

WHEREAS, the City desires to pay certain costs with respect to the Project prior to the issuance of the Obligations from available moneys of the City and to reimburse itself for such costs from a portion of the proceeds of the sale of the Obligations; and

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

Section 1. Recitals True and Correct. The foregoing recitals are true and correct.

Section 2. Reasonable Expectation. The City reasonably expects, and hereby states its intention, to reimburse itself for Project costs incurred prior to the issuance of the Obligations with proceeds of the Obligations. Exhibit A describes either the general character, type, purpose and function of the Project or the fund or account from which Project costs are to be paid and the general functional purpose of the fund or account.

Section 3. Maximum Principal Amount. The reasonably expected maximum principal amount of the Obligations that is anticipated to be used for such reimbursement is \$191,000,000.

Section 4. Expenditure Date. Except as described in Section 8 below, this resolution is being adopted not later than 60 days after the payment of the original expenditures (the “**Expenditures Date or Dates**”).

Section 5. Issuance Date. Except as described in Section 8 below, the expected date of issue of the Obligations will be within 18 months of the later of: (a) the Expenditure Date or Dates; or (b) the date that the Project is placed in service; provided that the reimbursement may not be made more than three years after the Expenditure Date or Dates.

Section 6. Use of Reimbursement Proceeds. Proceeds of the Obligations to be used to reimburse the City for Project costs are not expected to be used, within one year of reimbursement, directly or indirectly to pay debt service with respect to any obligation (other than to pay current debt service coming due within the next succeeding one year period on any tax-exempt obligation of the City (other than the Obligations)) or to be held as a reasonably required reserve or replacement fund with respect to an obligation of the City or any entity related in any manner to the City, or to reimburse any expenditure that was originally paid with the proceeds of any obligation, or to replace funds that are or will be used in such manner.

Section 7. No Other Moneys. This resolution is consistent with the budgetary and financial circumstances of the City as of the date hereof. No moneys from sources other than the Obligations are, or are reasonably expected to be, reserved, allocated on a long-term basis or otherwise set aside by the City (or any related party) pursuant to their budget or financial policies with respect to the Project costs. To the best of our knowledge, this City Council is not aware of the previous adoption of official intents by the City that have been made as a matter of course for the purpose of reimbursing expenditures and for which tax exempt obligations have not been issued.

Section 8. Certain Exclusions. The limitations that are described in Sections 4 and 5 above do not apply to: (a) costs of issuance of the Obligations; (b) an amount not in excess of the lesser of \$100,000 or five percent (5%) of the proceeds of the Obligations; or (c) any preliminary expenditures, such as architectural, engineering, surveying, soil testing, and similar costs other than land acquisition, site preparation, and similar costs incident to commencement of construction, not in excess of twenty percent (20%) of the aggregate issue price of the Obligations that finances the Project for which the preliminary expenditures were incurred.

Section 9. Official Action. This resolution is adopted as official action of the City in order to comply with Treasury Regulation § 1.150-2 and any other regulations of the Internal Revenue Service relating to the qualification for reimbursement of City expenditures incurred prior to the date of issue of the Obligations, is part of the City’s official proceedings, and will be available for inspection by the general public at the main administrative office of the City.

Section 10. Effective Date of Resolution. This Resolution shall take effect upon the approval of a majority of the members of the City Council.

ADOPTED by the City Council this _____ day of _____, 2021.

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 _____, 2021, 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 _____, 2021.

DONESIA GAUSE
City Clerk of the City of Riverside

EXHIBIT A

DESCRIPTION OF PROJECT

Upgrades, acquisitions, replacements, rehabilitation and construction of facilities and equipment for the City's electric system, including but not limited to:

1. Overhead Projects
2. Underground Projects
3. Substation Projects
4. Recurring/Obligation to Serve Projects
5. System Automation Projects