

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of City of Billings, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION RELATING TO UP TO \$40,000,000 WATER SYSTEM REVENUE BONDS; AUTHORIZING THE ISSUANCE AND CALLING FOR THE PUBLIC SALE THEREOF" (the "Resolution"), on file in the original records of the City in my legal custody; that the Resolution was duly adopted by the City Council of the City at a regular meeting on April 13, 2026 and that the meeting was duly held by the City Council and was attended throughout by a quorum, pursuant to call and notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.

I further certify that, upon vote being taken on the Resolution at said meeting, the following Council members voted in favor thereof: _____
_____ ; voted against the same: _____ ; abstained from voting thereon: _____ ; or were absent: _____.

WITNESS my hand and seal officially this 13th day of April, 2026.

(SEAL)

City Clerk

RESOLUTION NO. _____

RESOLUTION RELATING TO UP TO \$40,000,000 WATER
SYSTEM REVENUE BONDS; AUTHORIZING THE
ISSUANCE AND CALLING FOR THE PUBLIC SALE
THEREOF

BE IT RESOLVED by the City Council (the “Council”) of City of Billings, Montana (the “City”), as follows:

Section 1. Recitals, Prior Acts, Authorization.

1.1 Recitals. Under the provisions of Montana Code Annotated, Title 7, Chapter 7, Parts 44 and 45, as amended (the “Act”), the City is authorized to issue and sell its revenue bonds payable during a term not exceeding forty years from their date of issue, to provide funds for the acquisition, purchase, construction, reconstruction, improvement, betterment and extension of a municipal water system and to refund its revenue bonds issued for such purpose; provided that the bonds and the interest thereon are to be payable solely out of the net income and revenues to be derived from rates, fees and charges for the services, facilities and commodities furnished by the undertaking, and are not to create any obligation for the payment of which taxes may be levied except to pay for services provided by such system to the City. The City proposes to undertake certain improvements to its municipal water system (the “System”), including design, engineering and construction of a new water reservoir, water treatment plant, and related improvements (collectively, the “System Project”). The City has determined that it is necessary and desirable and in the best interests of the City to issue its water system revenue bonds for the purpose of providing funds to pay costs of the System Project.

1.2 Prior Acts. In accordance with the Act and pursuant to Resolution No. 23-11134 adopted by the Council on July 10, 2023, as amended and supplemented by Resolution No. 23-11140 adopted by the Council on July 10, 2023 (collectively, the “Resolution”), the City has issued and there are outstanding its First Amended and Restated Water System Revenue Bond (DNRC Drinking Water Revolving Loan Program), Series 2005 (the “Series 2005 Bond”), its Water System Revenue Bond (DNRC Drinking Water State Revolving Fund Program), Series 2009B (the “Series 2009B Bond”), its First Amended and Restated Water System Revenue Bond (DNRC Drinking Water State Revolving Fund Program), Series 2009C (the “Series 2009C Bond”), its First Amended and Restated Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2009D (the “Series 2009D Bond”), its First Amended and Restated Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2010B (the “Series 2010B Bond”), its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2012 (the “Series 2012 Bond”), its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2014 (the “Series 2014 Bond”), its Water System Revenue Bond (DNRC Drinking Water State Revolving Loan Program), Series 2015 (the “Series 2015 Bond”) and its Water System Revenue Bonds, Series 2023A (the “Series 2023A Bonds”). The Series 2005 Bond, Series 2009B Bond, Series 2009D Bond, Series 2010B Bond, Series 2012 Bond, Series 2014 Bond, Series 2015 Bond and Series 2023 Bonds are collectively referred to as the “Outstanding Bonds.”

Pursuant to the Resolution, the City reserved the right to issue additional bonds on a parity with the Outstanding Bonds under certain conditions, including that the Net Revenues (as defined in the Resolution) for the last complete fiscal year preceding the date of issuance of such additional bonds, calculated in accordance with the Resolution, were equal to at least 125% of the maximum amount of principal and interest to be payable from the Revenue Bond Account (as defined in the Resolution) in any subsequent fiscal year during the term of the Outstanding Bonds, on the Outstanding Bonds and the additional bonds proposed to be issued (the “Coverage Requirement”). Assuming that the System Project Bonds (as defined below) are issued in the aggregate principal amount of \$40,000,000, with a true interest cost of 5.15% per annum and a term of approximately 20 years, the maximum aggregate annual principal and interest payable with respect to the Outstanding Bonds and the System Project Bonds is expected to be \$9,549,100.00. Net Revenues for the fiscal year ending June 30, 2025 totaled \$29,438,429, which is not less than 125% of \$9,549,100.00.

1.3 Authorization. Pursuant to the Act and the Resolution, this Council hereby authorizes the City to proceed with the issuance and sale of its Water System Revenue Bonds (the “System Project Bonds”) for the purpose of providing funds to pay costs of the System Project and to pay costs of issuance of the System Project Bonds, subject to the terms and conditions described herein.

Section 2. Public Sale. The System Project Bonds shall be offered and sold at a public, competitive sale pursuant to certain terms and conditions of sale (the “Terms and Conditions”) to be determined and finalized by the City Administrator and City Finance Director, in consultation with Baker Tilly Municipal Advisors LLC, as municipal advisor to the City (“Baker Tilly”). The City Administrator and City Finance Director shall determine the date and time that bids will be opened and tabulated. Subject to Section 3 below, following tabulation of bids, the City Administrator and City Finance Director will award the sale of the System Project Bonds to the bidder with the lowest true interest cost; provided that the City Administrator and City Finance Director shall have the right to reject any and all bids in their sole discretion and to waive any informality and irregularity in any and all bids. In the event that all bids are rejected, the City Administrator and City Finance Director are authorized to initiate a new public, competitive sale of the System Project Bonds and to prepare such additional Terms and Conditions, offering materials and notices, in accordance with this resolution. In the event that the City Administrator is unavailable, the duties of the City Administrator set forth in this resolution may be performed by the Assistant City Administrator with the same force and effect. The form of the System Project Bonds and the final terms and conditions thereof will be set forth in a subsequent resolution to be adopted by this Council following the award of the sale of the System Project Bonds.

Section 3. Parameters. Following tabulation of the bids as described in Section 2, the City Administrator and City Finance Director are hereby authorized to award the sale of the System Project Bonds, subject to the following limitations and conditions:

- (a) the aggregate principal amount of the System Project Bonds shall not exceed \$40,000,000 (exclusive of premium or discount);
- (b) the purchase price of each series of System Project Bonds shall not be less than 97% of the principal amount thereof;

- (c) the true interest cost of the System Project Bonds shall not exceed 5.15%;
- (d) the proposed terms of each series of System Project Bonds shall allow the City to satisfy the Coverage Requirement; and
- (e) each series of System Project Bonds shall mature not later than 31 years following the date of issuance of such series.

Section 4. Preliminary Official Statement. The City Administrator and City Finance Director, in consultation with Baker Tilly, are hereby authorized and directed to prepare, on behalf of the City, a Preliminary Official Statement with respect to the System Project Bonds to be distributed to potential bidders. The Preliminary Official Statement shall contain the Terms and Conditions and such other information as shall be advisable and necessary to describe accurately the City, the System, the terms and conditions of the System Project Bonds and the security therefor. The City Administrator and City Finance Director are authorized on behalf of the City to deem the Preliminary Official Statement near “final” as of its date, in accordance with Rule 15c2-12(b)(1) under the Securities Exchange Act of 1934.

Section 5. Continuing Disclosure. In order to permit bidders for the System Project Bonds and other participating underwriters in the primary offering of such series of System Project Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934 (the “Rule”), the City will covenant and agree for the benefit of the registered holders and beneficial owners from time to time of such outstanding System Project Bonds, to provide annual reports of specified information and notice of the occurrence of certain events. The City is the only “obligated person” in respect of the System Project Bonds within the meaning of the Rule for the purposes of disclosing information on an ongoing basis. A description of the undertaking will be set forth in the Preliminary Official Statement. Failure of the City to enter into an undertaking substantially similar to that described in the Preliminary Official Statement would relieve the successful bidder of its obligation to purchase the System Project Bonds.

Section 6. Notice of Sale. The City Clerk is authorized and directed to cause notice of the sale of the System Project Bonds to be published, as required by Montana Code Annotated, Sections 7-7-4434 and 17-5-106, in the *Yellowstone County News* once each week for two successive weeks preceding the week which contains the date of sale. The notice of sale shall be published substantially in the form set forth on Exhibit A to this resolution.

Section 7. Effective Date. This resolution supersedes Resolution No. 23-11110, adopted by the Council on April 10, 2023 (the “2023 Parameters Resolution”), solely to the extent that the 2023 Parameters Resolution authorizes the issuance of additional water system revenue bonds not heretofore issued. This resolution shall become effective upon passage.

PASSED by the City Council of City of Billings, Montana, this 13th day of April, 2026.

Mayor

Attest:

City Clerk

(SEAL)

EXHIBIT A

NOTICE OF BOND SALE

\$[]
Water System Revenue Bonds, Series 2026
City of Billings, Montana

NOTICE IS HEREBY GIVEN by the City Council (the “Council”) of the City of Billings, Montana (the “City”), that the City will receive bids for the purchase of Water System Revenue Bonds in the aggregate principal amount of \$[] (the “Series 2026 Bonds”) by electronic transmission through PARITY® or by sealed bid to Baker Tilly Municipal Advisors LLC, as municipal advisor to the City (“Baker Tilly”), pursuant to the instructions set forth in the Terms and Conditions of Sale, in each case until [] p.m. (Mountain time) on [], [], 2026, at which time bids will be opened and tabulated. The tabulation of bids will then be presented to the City Administrator and City Finance Director at [] p.m. (Mountain time) on [], [], 2026, at which time the City Administrator and City Finance Director will consider the bids received, and if a responsive and acceptable bid is received, award sale of the Series 2026 Bonds to the successful bidder whose bid reflects the lowest true interest cost (calculated from the dated date).

The City has determined that it is necessary and desirable to undertake certain improvements to its municipal water system (the “System”), including design, engineering and construction of a new water reservoir, water treatment plant and related improvements (collectively, the “System Project”). The City proposes to issue the Series 2026 Bonds for the purpose of providing funds to pay costs of the System Project and to pay costs of issuance of the Series 2026 Bonds.

The Series 2026 Bonds shall be dated, as originally issued, as of [], 2026, and shall bear interest payable semiannually on January 1 and July 1 of each year, commencing [], 20[], to the registered owners of the Series 2026 Bonds as such appear in the bond register as of the close of business on the 15th day (whether or not a business day) of the immediately preceding month, at a rate or rates designated by the successful bidder at public sale and approved by the City Administrator and City Finance Director. Each interest rate must be expressed in an integral multiple of 1/100 or 1/8 of 1%. The initial price to the public as stated in the bid proposal for each maturity must be []% or greater. All Series 2026 Bonds of the same stated maturity must bear interest from date of original issue until paid at a single, uniform rate. Interest will be calculated on the basis of a 360-day year consisting of twelve 30-day months.

The Series 2026 Bonds shall mature, subject to redemption as hereinafter provided, on July 1 in each of the following years and amounts (unless combined into one or more term bonds), subject to adjustment as described herein:

<u>Year</u>	<u>Principal Amount</u>	<u>Year</u>	<u>Principal Amount</u>
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The City reserves the right, after bids are opened and prior to award, to increase or decrease the amount of any maturity or maturities in multiples of \$5,000 in order to produce net proceeds to the City of approximately \$[_____] and to meet the City's structuring goals. In the event the amount of any maturity is modified, the aggregate purchase price will be adjusted to result in the same gross spread per \$1,000 of Series 2026 Bonds as that of the successful bid. Gross spread for this purpose is the differential between the price paid to the City for the Series 2026 Bonds and the prices at which the bid indicates the Series 2026 Bonds are initially offered to the investing public.

Bidders will have the option of combining the Series 2026 Bonds into one or more term bonds. If any Series 2026 Bonds are issued as term bonds, such term bonds will be subject to annual mandatory sinking fund redemption in the principal amount set forth in the foregoing schedule on each July 1, concluding no later than [____], at a redemption price equal to the principal amount of such Series 2026 Bonds or portions thereof to be redeemed with interest accrued thereon and payable on January 1 and July 1 to the redemption date, in installments and in the same amounts and on the same dates as the Series 2026 Bonds would have matured if they were not included in a term bond.

The Series 2026 Bonds with stated maturities on or after July 1, [____] will be subject to redemption on July 1, [____], and any date thereafter, at the option of the City, in whole or in part, at a redemption price equal to the principal amount thereof to be redeemed plus interest accrued to the redemption date, without premium. If less than all of the Series 2019 Bonds are to be redeemed, the Series 2019 Bonds to be redeemed shall be from such stated maturities and in such principal amounts as the City may designate in writing to the Registrar (or, if no designation is made, in inverse order of maturities and within a maturity in \$5,000 principal amounts selected by the Registrar by lot or other manner it deems fair).

The Series 2026 Bonds shall be in the denomination of \$5,000 each or any integral multiple thereof of single maturities. The Series 2026 Bonds will be issued as fully registered bonds only. The Series 2026 Bonds will be issued in book-entry only form.

The City reserves the right to reject any and all bids and to sell the Series 2026 Bonds at private sale.

To have its bid considered for award, the successful bidder is required to submit a good faith deposit to the City in the amount of \$[____] (the "Deposit") no later than [____] p.m. (Mountain time), on [____], [____], 2026. The Deposit may be delivered as described

in the instructions set forth in the Terms and Conditions of Sale, in the form of either (i) a certified or cashier's check payable to the City or (ii) a wire transfer. The successful bidder shall be solely responsible for the timely delivery of its Deposit whether by check or wire transfer.

Copies of the Terms and Conditions of Sale, the Preliminary Official Statement, Official Bid forms and additional information may be obtained through:

Baker Tilly
[address];
fax: [_____]]
phone: [_____]]

Prospective bidders should consult the Terms and Conditions of Sale and the Preliminary Official Statement for a detailed description of the Series 2026 Bonds, the security therefor, and the form of legal opinion proposed to be rendered by Dorsey & Whitney LLP, of Missoula, Montana and Minneapolis, Minnesota, as bond counsel.

Dated: [_____]], 2026.

BY ORDER OF THE CITY COUNCIL

City Clerk
City of Billings, Montana

Publish: [_____]]
[_____]]