

CERTIFICATE AS TO RESOLUTION AND ADOPTING VOTE

I, the undersigned, being the duly qualified and acting recording officer of the City of Belgrade, Montana (the "City"), hereby certify that the attached resolution is a true copy of a Resolution entitled: "RESOLUTION OF THE CITY OF BELGRADE, MONTANA TO INCREASE THE RATES FOR USERS OF THE MUNICIPAL WATER SYSTEM" (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 June 7, 2010, 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notice of such meeting given as required by law; and that the Resolution has not as of the date hereof been amended or repealed.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 officially this \_\_\_\_ day of June, 2010.

\_\_\_\_\_  
Marilyn Foltz, Director of Finance and Records

RESOLUTION NO. 2010-2

RESOLUTION OF THE CITY OF BELGRADE, MONTANA TO  
INCREASE THE RATES FOR USERS OF THE MUNICIPAL  
WATER SYSTEM

RECITALS

WHEREAS, pursuant to Title 7, Chapter 7, Part 44, Montana Code Annotated, the City of Belgrade, Montana (the "City") is authorized to issue bonds for the purpose of financing improvements (the "Improvements") to its water system (the "System"), and the City has committed to issuing water system revenue bonds in the amount of approximately \$3,218,000 (the "Bonds") to pay a portion of the costs of the Improvements; and

WHEREAS, it will be necessary for the City to collect sufficient revenues to repay the Bonds and to pay the costs associated with the operation and maintenance of the System and establish required and necessary or appropriate reserves; and

WHEREAS, under Section 69-7-101, Montana Code Annotated, the City has the power and authority to regulate, establish, and change, as it considers proper, rates, charges, and classifications imposed for utility services to its inhabitants and other persons served by the municipal systems. Rates, charges, and classifications must be reasonable and just; and

WHEREAS, the City has determined it to be in the best interests of the System and the users of the System to revise its system of rates and charges; and

WHEREAS, a notice of public hearing was mailed to all users of the City's System notifying them that pursuant to Resolution No. 2010-1, adopted May 3, 2010, it was the intention of the City to increase the rates and charges for users of the System and notice of public hearing was published as required by Section 69-7-111. A public hearing was held on June 7, 2010 commencing at 7:00 p.m. at the City Council Chambers, 91 East Central Avenue, Belgrade, Montana, for the purpose of hearing comments from the public on the water rate increase; and

WHEREAS, all persons appearing were given an opportunity to speak at the public hearing.

NOW, THEREFORE, BE IT RESOLVED by the City Council (the "Council") of the City as follows:

Section 1. Base Rate Increase. Effective as of July 1, 2010, the base rate for residential and non-residential water service for up to 5,000 gallons will hereby be increased from \$12.65 to \$15.82 per month. The charge for each 1,000 gallons in excess of 5,000 gallons will be increased from \$0.95 to \$1.19 per month. This rate increase represents an average increase of approximately 25%.

Section 4. Determination of Annual Budget for System. Each year the Council shall determine the amount of money needed to pay the costs of the System including but not limited to: (a) the payment of the reasonable expense of operation and maintenance of the System; (b) administration of the System; (c) the payment of principal and interest on any bonded or other indebtedness of the System; and (d) the establishment or maintenance of any required reserves, including reserves needed for expenditures for depreciation and replacement of facilities, as may be determined necessary from time to time by the Council or as covenanted in the ordinance or resolution authorizing any outstanding bonds of the System. Based on the annual needs of the System, the Council will establish monthly charges for the use of the System.

Section 5. Further Rate Increases. Subsequent adjustments to the rates for the use of the System will be made by resolution of the City Council duly adopted after a public hearing with notice thereof given as provided by law.

Passed and approved this 7th day of June, 2010.

---

Russell C. Nelson, Mayor

ATTEST:

---

Marilyn Foltz, Director of Finance and Records