

NOTICE OF RATE INCREASE AND PUBLIC HEARING

NOTICE IS HEREBY GIVEN that on June 16, 2003, the City Council (the "Council") of the City of Belgrade, Montana (the "City"), adopted a Resolution of Intention of the City of Belgrade, Montana to Increase the Rates for the Users of the Municipal Sewer System.

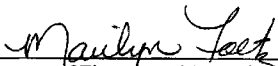
The City anticipates issuing sewer system revenue bonds in the amount of \$1,512,000 (the "Bonds") for the purpose of paying a portion of the costs of improvements to its municipal sewer system (the "System").

Effective as of October 1, 2003, the base rate for residential and non-residential sewer service for up to 5,000 gallons will be increased from \$15.90 to \$18.13 per month (the "Base Rate Charge"). The charge per excess 1,000 gallons will be increased from \$1.26 to \$1.44 per month. This proposed rate increase represents an average increase of approximately 14% over the existing rates.

On July 7, 2003, at 7:00 p.m. at the City Council Chambers, 91 East Central Avenue, Belgrade, Montana, the Council will conduct a public hearing and pass upon all protests against the proposed sewer rate increase.

Further information about the proposed rate increase may be obtained by contacting Mr. Joe Menicucci, City Manager, 91 East Central Avenue, Belgrade, Montana 59714, phone: (406) 388-3760.

Done by Order of the Council of the City of Belgrade, Montana, this 16th day of June, 2003.


Director of Finance and Records

Publish: June 19, 2003
 June 26, 2003
 July 3, 2003

RESOLUTION NO. 2003-6

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

RECITALS

WHEREAS, the City of Belgrade, Montana (the "City") has committed to issuing sewer system revenue bonds in the amount of \$1,512,000 (the "Bonds") to pay a portion of the costs of improvements to its municipal sewer system (the "System"); and

WHEREAS, it is necessary to increase the rates and charges for the services provided by the System in order to collect sufficient revenues to repay the Bonds and pay costs associated with the operation and maintenance of the System; 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.

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

Section 1. Intent to Increase Sewer User Charges. It is the intent of the City to implement a rate increase for users of the System effective as of October 1, 2003, as set forth herein.


Section 2. Base Rate Increase. Effective as of October 1, 2003, the base rate for residential and non-residential sewer service for up to 5,000 gallons will be increased from \$15.90 to \$18.13 per month (the "Base Rate Charge"). The charge per excess 1,000 gallons will be increased from \$1.26 to \$1.44 per month. This proposed rate increase represents an average increase of approximately 14% over the existing rates.

Section 3. Public Hearing. A public hearing on the rate increase will be held on July 7, 2003, commencing at 7:00 p.m. at the City Council Chambers, 91 East Central Avenue, Belgrade, Montana.

Section 4. Notice. The Director of Finance and Records is hereby authorized and directed to publish or cause to be published a copy of a notice of the passage of this resolution in the *High Country Independent Press*, a newspaper of general circulation in the City, on June 19, June 26 and July 3, 2003, in the form and manner prescribed by law, and to mail or cause to be mailed a copy of said notice to all persons who own property in the City and to all customers of the System at least 7 days and not more than 30 days prior to the public hearing. The mailed notice must contain an estimate of the amount the customer's average bill will increase. The

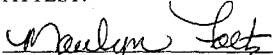
City Finance Officer is also authorized and directed to mail first class, postage prepaid, notice of all hearings to the Montana consumer counsel.

Passed and approved this 16th day of June, 2003.



Mayor

ATTEST:



Director of Finance and Records

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 INTENTION OF THE CITY OF BELGRADE, MONTANA TO INCREASE THE RATES FOR THE USERS OF THE MUNICIPAL SEWER 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 16, 2003, 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: Vonnie Sayers, Robert Retterath, Anne Koentopp, and Brad Cooper ;
voted against the same: None ;
abstained from voting thereon: None ;
or were absent: Bill Green and John Youngberg .

WITNESS my hand officially this 16 day of June, 2003.



Director of Finance and Records