

**STANDARD
& POOR'S**

Steven J. Murphy
Managing Director
55 Water Street, 38th Floor
New York, NY 10041-0003
tel 212 438-2066
steve_murphy@standardandpoors.com

Sarah Ward Eubanks
Managing Director
130 East Randolph Street
Suite 2900
Chicago, IL 60601
tel 312 233-7001
sarah_eubanks@standardandpoors.com

reference no.: 32732002

February 18, 2005

Pittsfield Township Hall
6201 W. Michigan Ave.
Ann Arbor, MI 48108
Attention: Mr. Robert Skobola, Treasurer

Re: ***Huron Utility Authority, Michigan (Pittsfield Charter Township), Limited Tax General
Obligation Bonds***

Dear Mr. Skobola:

Standard & Poor's has reviewed the rating on the above-referenced obligations. After such review, we have affirmed the "A+" rating and stable outlook. A copy of the rationale supporting the rating and outlook is enclosed.

The rating is not investment, financial, or other advice and you should not and cannot rely upon the rating as such. The rating is based on information supplied to us by you or by your agents but does not represent an audit. We undertake no duty of due diligence or independent verification of any information. The assignment of a rating does not create a fiduciary relationship between us and you or between us and other recipients of the rating. We have not consented to and will not consent to being named an "expert" under the applicable securities laws, including without limitation, Section 7 of the Securities Act of 1933. The rating is not a "market rating" nor is it a recommendation to buy, hold, or sell the obligations.

This letter constitutes Standard & Poor's permission to you to disseminate the above-assigned rating to interested parties. Standard & Poor's reserves the right to inform its own clients, subscribers, and the public of the rating.

Standard & Poor's relies on the issuer/obligor and its counsel, accountants, and other experts for the accuracy and completeness of the information submitted in connection with the rating. To maintain the rating, Standard & Poor's must receive all relevant financial information as soon as such information is available. Placing us on a distribution list for this information would facilitate the process. You must promptly notify us of all material changes in the financial information and the documents. Standard & Poor's may change, suspend, withdraw, or place on CreditWatch the rating as a result of changes in, or unavailability of, such information. Standard & Poor's reserves the right to request additional information if necessary to maintain the rating.

Mr. Robert Skobola
Page 2
February 18, 2005

Please send all information to:

Standard & Poor's Ratings Services
Public Finance Department
55 Water Street
New York, NY 10041-0003

If you have any questions, or if we can be of help in any other way, please feel free to call or contact us at nypublicfinance@standardandpoors.com. For more information on Standard & Poor's, please visit our website at www.standardandpoors.com. We appreciate the opportunity to work with you and we look forward to working with you again.

Sincerely yours,

Standard & Poor's Ratings Services
a division of The McGraw-Hill Companies, Inc.



By: Steven J. Murphy
Managing Director

cf
enclosure

STANDARD
& POOR'S

STANDARD
& POOR'S

RATINGS DIRECT

RESEARCH

Summary: Pittsfield Charter Twp, MI; Appropriation, General Obligation Equivalent Security

Publication date: 09-Mar-2005
Primary Credit Analyst: Jane Hudson Ridley, Chicago (1) 312-233-7012; jane_ridley@standardandpoors.com
Secondary Credit Analyst: James Wiemken, Chicago (1) 312-233-7005; james_wiemken@standardandpoors.com

Credit Profile

AFFIRMED

Huron Util Auth, Michigan

\$675,000 Huron Util Auth (Pittsfield Charter Twp) (wtr supp sys #3) ltd tax

A+

OUTLOOK:

STABLE

Rationale

The 'A+' rating on Huron Utilities Authority, Mich.'s bonds, issued for Pittsfield Charter Township, is based on the limited-tax, full faith and credit pledge of Pittsfield Charter Township. Debt service commitment for the bonds is a first budget obligation of the town's general funds, which includes the collection of any ad valorem taxes it is authorized to levy.

The rating reflects:

- Participation in the Ann Arbor MSA,
- Good income and wealth indicators, and
- Strong financial position with strong reserves and revenue-raising flexibility.

These strengths are offset by the challenge of managing rapid growth, with a population that has increased 70% over the past decade.

The bonds are secured by the township's limited-tax GO pledge.

Pittsfield Charter Township, located less than five miles south of Ann Arbor ('AA' GO rating), comprises approximately 28 square miles in Washtenaw County. The population has grown about 70% over the past decade to nearly 30,200 residents. This has allowed access to significant resources and contributed to considerable economic growth.

The township continues to exhibit healthy taxable valuation growth, coupled with high income and wealth indicators. Annual increases of about 10% between 1999-2003 pushed the township's taxable valuation to nearly \$1.4 billion. The township is approximately 60% residential, and its largest taxpayers are diverse. The 10 leading taxpayers, consisting of several small manufacturers and small apartment complexes, make up about 9% of total taxable valuation. Commercial properties (24%), along with industrial (8%) and personal (8%) properties, make up the remainder of the tax base.

Income levels for the township are high, with 1999 median household buying income levels at 137% and 146%, respectively, of state and national levels. The high income and wealth indicators stem from the many professors and health care professionals associated with the University of Michigan.

The township's financial picture remains solid. At fiscal year-end 2003 (Dec. 31), the township's general fund balance was \$6.3 million, or a very strong healthy 71% of expenditures. Projections for fiscal 2004 indicate a general fund surplus, and the 2005 budget was balanced without a draw on reserves. The township does not levy at its Headlee limit, affording it some additional revenue flexibility as needed. The township also has a budget stabilization fund, which operates separately from the general fund and had \$965,000 at fiscal year-end 2002. The township's debt levels have historically been moderately high, but at this time there are no debt plans, which would add to the debt burden.

Outlook

The stable outlook reflects the expectation of solid financial reserve maintenance coupled with limited additional debt needs.

Complete ratings information is available to subscribers of RatingsDirect, Standard & Poor's Web-based credit analysis system, at www.ratingsdirect.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com; under Credit Ratings in the left navigation bar, select Find a Rating, then Credit Ratings Search.

Analytic services provided by Standard & Poor's Ratings Services (Ratings Services) are the result of separate activities designed to preserve the independence and objectivity of ratings opinions. The credit ratings and observations contained herein are solely statements of opinion and not statements of fact or recommendations to purchase, hold, or sell any securities or make any other investment decisions. Accordingly, any user of the information contained herein should not rely on any credit rating or other opinion contained herein in making any investment decision. Ratings are based on information received by Ratings Services. Other divisions of Standard & Poor's may have information that is not available to Ratings Services. Standard & Poor's has established policies and procedures to maintain the confidentiality of non-public information received during the ratings process.

Ratings Services receives compensation for its ratings. Such compensation is normally paid either by the issuers of such securities or third parties participating in marketing the securities. While Standard & Poor's reserves the right to disseminate the rating, it receives no payment for doing so, except for subscriptions to its publications. Additional information about our ratings fees is available at www.standardandpoors.com/usratingsfees.