

RESOLUTION NO. 2005-7

A RESOLUTION OF THE BOARD OF DIRECTORS OF THE WESTERN WESTMORELAND MUNICIPAL AUTHORITY SUPERCEDING RESOLUTION NO. 2005-4, AMENDING THE SCHEDULE OF RATES AND CHARGES FOR SEWER SERVICES, EFFECTVIE AS OF JANUARY 1, 2006.

WHEREAS, the Western Westmoreland Municipal Authority does and has operated the "Joint Facilities", as the same are defined in the Service Agreement dated as of December 15, 1971, and the Amendments thereto duly adopted; and

WHEREAS, the Authority, pursuant to its current NPDES Permit Compliance Schedule and a Consent Order and Agreement entered into with the Pennsylvania Department of Environmental Protection, is required to perform certain tasks, projects and undertakings, according to certain schedules contained in said Permit, Order and Agreement; and

WHEREAS, the consulting engineer of the Authority, HDR Engineering, Inc., pursuant to the requirements of the Service Agreement, as amended, and the Trust Indenture entered into in conjunction with the Authority's Sewer Revenue Bonds, Series of 2005, is required to and has furnished the Authority with a report setting forth the computations and estimates of revenue and expenses of the Authority, as provided and required in said Service Agreement and the Trust Indenture, and in particular in order to comply with said Permit, Order and Agreement; and

WHEREAS, based upon said report and information, the Authority determined that it was necessary to borrow certain funds to finance said tasks, undertakings and projects; and to that end applied to and was granted a loan for funding of certain of said tasks, undertakings and projects by Pennvest; and determined that other of said tasks, undertakings and projects would be financed by the redemption of the Sewer Revenue Bonds, Series of 2001, and the borrowing of additional funds by the issuance of Bonds, which Bonds were issued as the Authority's Sewer Revenue Bonds, Series of 2005; and

WHEREAS, the Authority's consulting engineer issued a report, dated February 25, 2005, which at that time found that on and after the 1st of January, 2006, insufficient revenues will be generated from the current customers and future customers to finance said tasks,

undertakings and projects and to meet and defray the operating and other expenses of the Authority; and

WHEREAS, the consulting engineer, in that report, recommended that an increase in rates for sewer use in the amount of \$43.80 per year per Equivalent Dwelling Unit (\$3.65 per month per Equivalent Dwelling Unit) be adopted by this Authority effective the 1st day of January, 2006; and

WHEREAS, by Resolution 2005-4, the Authority increased the rates as described above, to be effective January 1st 2006; and

WHEREAS, the Authority, as part of the annual review of its 2005 activities and finances and as part of the preparation of its 2006 Budget, has determined that since the Pennvest loan referenced above did not close until August, 2005, it has not and will not need to expend, in 2006, the amount of funds originally anticipated for its debt service on the Pennvest loan; and

WHEREAS, the incremental increase of \$3.65 per month per EDU, adopted by Resolution 2005-4, was developed based upon the following determination of funds needed for 2006:

- \$1.50 per month per EDU: Increase of Operation and Administrative Costs and Expenses;
- \$1.00 per month per EDU: PENNVEST Debt Service; and
- \$1.15 per month per EDU: 2005 Sewer Revenue Bond Debt Service; and

WHEREAS, it has been determined by the Authority's consulting engineers and the Board of the Authority that the \$1.00 per month per EDU needed for the PENNVEST Debt Service will not be required for 2006.

NOW THEREFORE BE IT RESOLVED, AND IT IS HEREBY RESOLVED by the Board of Directors of the Western Westmoreland Municipal Authority as follows:

1. The schedule of service charges of Western Westmoreland Municipal Authority is hereby amended to provide that the service charge for each Equivalent Dwelling Unit shall be \$199.80 annually, or \$16.65 per month, effective as of January 1, 2006; and that until such date, the current rates shall remain in full force and effect; and

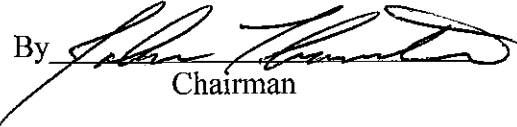
2. In case any one or more of the provisions of this Resolution shall for any reason be held to be illegal or invalid or otherwise contrary to law, such finding shall not affect or impair any other provisions of this Resolution, but this Resolution shall be construed and enforced as if said provision had not been contained herein; and

3. Resolution No. 2005-4 is hereby specifically superseded by this Resolution; and
4. All Resolutions or parts of Resolutions of this Authority not in accord with this Resolution are hereby repealed as of the effective date of this Resolution.

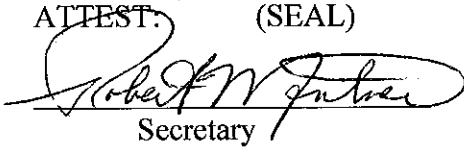
RESOLVED at a regularly scheduled meeting of the Western Westmoreland Municipal Authority on the 17th day of November, 2005, a quorum being present.

THIS RESOLUTION SHALL TAKE EFFECT IMMEDIATELY, SUBJECT TO THE PROVISION SET FORTH HEREIN THAT THE RATE INCREASE SHALL NOT TAKE EFFECT UNTIL January 1, 2006.

WESTERN WESTMORELAND
MUNICIPAL AUTHORITY

By 
Chairman

ATTEST. (SEAL)


Secretary

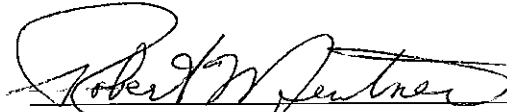
Date: November 17, 2005

CERTIFICATION

I, **Robert Zentner**, duly qualified Secretary of the Board of Directors of the Western Westmoreland Municipal Authority, Westmoreland County, Pennsylvania, do hereby certify that the foregoing Resolution No. **2005-7** is a true and correct copy of the original Resolution No. **2005-7** duly passed and adopted by a majority vote of the Board of Directors of the Western Westmoreland Municipal Authority at a duly advertised and convened regular meeting held on the **17th** day of **November**, 2005, and that the minutes of said meeting showing how each member voted have been duly recorded in the official minutes of said Authority and that said Resolution remains in effect as of this date.

IN WITNESS WHEREOF, I affix my hand and attach the seal of the Western Westmoreland Municipal Authority, this **17th** day of **November**, 2005.

Certified to by:


Secretary