



2018-R91
EXHIBIT 'A'

October 24, 2018

Mayor Gerard Neugebauer
1755 Town Park Blvd
PO Box 278
Green, OH 44232-0278

Dear Mayor Neugebauer,

The City of Green passed Resolution 2016-R54 on November 8, 2016 and an Agreement was signed on November 14, 2016 that established water rates for the period of January 1, 2017 – December 31, 2021. In May 2018, at the request of Aqua, we rolled back rates 3.25% (to 2017 rates) for the remainder of this year. This was due to tax code changes that resulted in savings for Aqua. We shared that savings with our customers by reducing rates.

Aqua analyzed the impact of the tax code changes over the remaining period of the current rate agreement (2019-2021). It was determined that we can reduce rates from the originally negotiated levels and increase our capital investment commitment. The changes are summarized here:

Annual Rate Increases			Average Monthly Residential Bill (4,000 gallons)		
	Per Negotiated Agreement	Proposed Reduction		Per Negotiated Agreement	After Proposed Reduction
1/1/17	3.25 %	3.25 %	1/1/17	\$39.70	\$39.70
1/1/18	3.25 %	3.25 % (6/1/18 = -3.25% rollback)	1/1/18	\$40.99	\$40.99 (6/1/18 = \$39.70 rollback)
1/1/19	3.25 %	2.0 %	1/1/19	\$42.32	\$40.50
1/1/20	3.25 %	2.0 %	1/1/20	\$43.70	\$41.31
1/1/21	3.25 %	2.0 %	1/1/21	\$45.12	\$42.13

At the end of the 5-year rate period, rates will be 6.7% LESS than originally negotiated. This is a total savings of approximately \$95 for the average residential user.

In addition to rate reductions, Aqua is committed to invest at least \$40.5 million in capital improvements over the 5-year rate plan - \$8.1 million more than originally committed.

I would like to attend a council meeting to review this revised rate plan and request that they pass a Resolution and an agreement by year-end to enact these reduced rates for the remainder of the current rate agreement (2019-2021). If you have any questions or concerns in the meantime, please contact me at 330.832.5764 ext. 50661.

Thank you for your continued partnership!

Best regards,

Keith E. Nutter, P.E.
Area Manager