

RESOLUTION NO.: 2018-R91 (AMENDED DECEMBER 11, 2018)
SPONSOR: MAYOR NEUGEBAUER
INTRODUCED: NOVEMBER 13, 2018 ASSIGNED TO: _____

INTERGOV. & UTIL.

A RESOLUTION AUTHORIZING THE MAYOR TO ENTER INTO AN AGREEMENT WITH AQUA OHIO, INC., AND DECLARING AN EMERGENCY.

WHEREAS, the City of Green's current contract with Aqua Ohio, Inc. is set to expire on December 31, 2021; and

WHEREAS, Aqua Ohio, Inc. has requested a rate decrease from that Agreement, pursuant to Exhibit "A", a copy of which is attached hereto; and,

WHEREAS, Aqua Ohio, Inc., in addition to the rate reduction, agrees to invest an additional \$8.1 million raising their five (5) year Capital Improvement Commitment, to the City of Green, **and its entire service area**, to \$40.5 million;

WHEREAS, ~~due to a negotiated cost savings~~, it is in the best interest of the City to enter into an agreement with Aqua Ohio, Inc. to provide water and related services to the businesses and residents of Green-, **in order for our residents and businesses to realize the cost savings.**

NOW, THEREFORE, BE IT RESOLVED BY THE COUNCIL OF THE CITY OF GREEN, COUNTY OF SUMMIT, AND STATE OF OHIO, THAT:

SECTION ONE:

Green City Council authorizes the Mayor to enter into an Amended Agreement with Aqua Ohio, Inc. for the period January 1, 2018 through December 31, 2021, substantially in accordance with the adopted Agreement on November 8, 2016.

SECTION TWO:

The City of Green finds and determines that all formal actions of this Council concerning and relating to the adoption of this Resolution were taken in open meetings of this Council and any deliberations of this Council and any of its committees that resulted in those formal actions were in meetings open to the public, in compliance with all legal requirements.

SECTION THREE:

Council declares this to be an emergency immediately necessary for the preservation of the public peace, health, safety and welfare of the citizens of Green. Provided that this legislation receives the affirmative vote of three-fourths ($\frac{3}{4}$ ths) of the members elected or appointed to Council, it shall take effect and be in force immediately upon its passage and approval by the Mayor; otherwise, it shall take effect and be in force at the earliest time allowed by law.

ADOPTED: Dec. 11, 2018
Molly Kapeluck
Molly Kapeluck, Clerk of Council

Chris Humphrey
Chris Humphrey, Council President

Resolution 2018-R91 (AMENDED DECEMBER 11, 2018)

APPROVED: Dec. 12, 2018

Gerard M. Neugebauer
Gerard M. Neugebauer, Mayor

ENACTED EFFECTIVE: December 12, 2018

ON ROLL CALL: Babbitt aye Dyer aye Humphrey aye Shaughnessy aye
Speight aye Yeargin aye Young aye Adopted 7-0

Suburbanite publication on December 14 and December 21, 2018

Molly Kapeluck
Molly Kapeluck, Clerk of Council

12/6/2018 ~~11/6/201~~ Approved as to form and content by William G Chris, Director of Law, Interim

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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% <i>rollback</i>)	1/1/18	\$40.99	\$40.99 (6/1/18 = \$39.70 <i>rollback</i>)
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