

Strain, Suzanne

From: Strain, Suzanne
Sent: Tuesday, May 30, 2017 8:53 AM
To: 'Tammy Frost'
Subject: MISSOURI AMERICAN WATER

Importance: High

Assets used in the gathering, treatment and distribution of water should be assessed using a 20 yr recovery period. I know we have accepted 7 yr in the past, but this was an oversight. Please resubmit your assessment for 2017 using a 20 yr recovery period for the assets used in the capacity. Office /computer equipment should be reported using the applicable 5 yr/7r recovery period.

Also, you are reporting vehicles at 527 Craig Rd, which is not a valid address. please update your records to show the address as 727 Craig Rd.

*Sue Strain
Manager - Personal Property
41 S Central Ave - 2nd Fl
St. Louis MO 63105
314-615-4221*

From: Tammy Frost [mailto:tfrost@jcsco.com]
Sent: Wednesday, May 31, 2017 12:46 PM
To: Elizabeth Arriaga <Elizabeth.Arriaga@amwater.com>
Cc: Oluoch M. Ogunde <Morris.Ogunde@amwater.com>; Glenn Robinson <grobinson@jcsco.com>
Subject: St. Louis County assessments

EXTERNAL EMAIL - "Think before you click!"

Elizabeth,

I was contacted by St. Louis County yesterday regarding the 2017 filings of American Water. We have discussed frequently of Missouri's implementation of MACRS depreciation schedules (statewide) for the valuation of personal property and the potential impact should that occur fully in St. Louis County. As a reminder, some counties phased this in over a period of years to combine with their existing County schedules, while some converted later such as Jefferson County a couple of years ago. Now, St. Louis County, is stating that:

"Assets used in the gathering, treatment and distribution of water should be assessed using a 20 yr recovery period.

I know we have accepted 7 yr in the past, but this was an oversight.

Please resubmit your assessment for 2017 using a 20 yr recovery period for the assets used in the capacity.

Office /computer equipment should be reported using the applicable 5 yr/7r recovery period."

While I will need some additional time to calculate the requested assessments, I wanted to advise you of the request so we may discuss the impact of an amended filing, which of course will require AW's approval. I will also be reviewing the asset classifications potentially applicable to a 20 yr life vs. the existing 7/5 yr.

We can discuss at a later time that is convenient for you, I wanted to give you a heads up on this issue first.

Best Regards,

Tammy Frost
Director, Property Tax Services
Joseph C. Sansone Company
Direct 636-733-5497
Fax: 636-733-2229
Email: tfrost@jcsco.com

Strain, Suzanne

From: Strain, Suzanne
Sent: Tuesday, June 06, 2017 11:51 AM
To: 'Tammy Frost'
Subject: MO AMERICAN WATER

Importance: High

Equipment used in the gathering, treatment, and commercial distribution of water:

Assets acquired from 2011-2016 should be assessed using the 20 yr recovery period. Assets purchased prior to 2011 will continue to be assessed as prior year, but using the 20% depreciation factor instead of 10%.

Next year, assets acquired in 2011, instead of being moved to prior years, would continue to be assessed using the 20 yr schedule, etc...

Office furniture, equipment & computer equipment will be assessed using the 7 or 5 yr schedule as applicable.

Using this schedule will still cause the assessments to rise for 2017, but will not be such a big jump as if we used a straight 20 yr schedule.

Sue Strain
Manager - Personal Property
41 S Central Ave - 2nd Fl
St. Louis MO 63105
314-615-4221