

Exhibit No.:
Issues: St. Joseph Plant Value & Tax
Assessment
Witness: Scot W. Van Meter
Exhibit Type: Rebuttal
Sponsoring Party: St. Joseph Water Rate Coalition
Case No.: WR-2003-0500
Date: November 10, 2003

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WR-2003-0500

REBUTTAL TESTIMONY

OF

SCOT W. VAN METER

ON BEHALF OF THE

ST. JOSEPH WATER RATE COALITION

**JEFFERSON CITY, MISSOURI
BEFORE THE PUBLIC SERVICE COMMISSION**

OF THE STATE OF MISSOURI

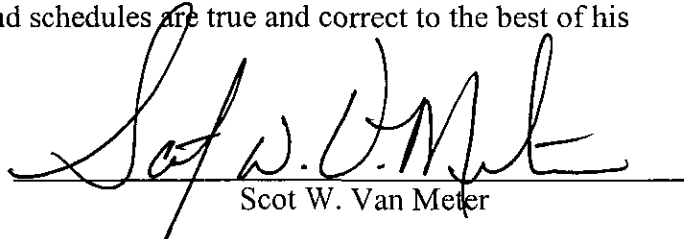
FILED²
NOV 10 2003
Missouri Public
Service Commission

IN THE MATTER OF MISSOURI-AMERICAN)
WATER COMPANY FOR AUTHORITY TO)
FILE TARIFFS REFLECTING INCREASED)
RATES FOR WATER AND SEWER)
SERVICE)

CASE NO. WR-2003-0500

AFFIDAVIT OF SCOT W. VAN METER

Scot W. Van Meter, being first duly sworn, states that he is the witness who sponsors the accompanying testimony entitled "Rebuttal Testimony of Scot W. Van Meter"; that said testimony and schedules were prepared by him and/or under his direction and supervision; that if inquiries were made as to the facts in said testimony and schedules, he would respond as therein set forth; and that the aforesaid testimony and schedules are true and correct to the best of his knowledge.


Scot W. Van Meter

State of Missouri

County of Buchanan

Subscribed and sworn to before me this 6th day of November 2003.


Notary Public

My commission expires:

2-25-2005



Rebuttal Testimony of
Scot W. Van Meter
On behalf of the St. Joseph Water Rate Coalition

Case No. WR-2003-0500

- 1 Q. Please state your name, occupation, and business address.
- 2 A. My name is Scot W. Van Meter and I am the Assessor of Buchanan County, Missouri.
- 3 My business address is Buchanan County Courthouse, 411 Jules, Room 102, St. Joseph,
- 4 Missouri 64501.
- 5 Q. Please describe your duties as the Buchanan County Assessor.
- 6 A. My duties involve placing a value on all commercial, residential and personal property
- 7 located within Buchanan County, Missouri.
- 8 Q. Please summarize your background and experience.
- 9 A. I am a graduate of Missouri Western State College in St. Joseph, Missouri, where I
- 10 earned a Bachelor of Science degree in Management in 1996. From 1988 to 1992, I
- 11 served in the United States Navy. I began working for the Buchanan County
- 12 Assessor's Office in 1995 as a field appraiser, and was later promoted to Commercial
- 13 Appraiser and Chief Appraiser of the County. In 2000 I was elected Buchanan County
- 14 Assessor.
- 15 Q. Have you previously participated in regulatory matters?
- 16 A. No.
- 17 Q. What is the purpose of your testimony?
- 18 A. My purpose is to provide testimony on behalf of the St. Joseph Water Rate Coalition
- 19 ("Coalition") as to the appropriate current market value and assessed value of Missouri-

1 American Water Company's ("MAWC") water treatment plant ("water plant") located
2 in Buchanan County and Andrew County, Missouri.

3 Q. Are you sponsoring any schedules?

4 A. Yes. I am sponsoring Schedule SWV-1 , which is a copy of MAWC's 2003 Tax
5 Assessment from Buchanan County, Missouri.

6 Q. Was this schedule prepared by you or under your supervision?

7 A. Yes, it was.

8 Q. Please describe the calculation of the assessed value of real property in Missouri.

9 A. The State Tax Commission of Missouri defines "assessed value" as the portion of the
10 true value in money of property on which taxes are based. For tax assessment
11 purposes, Missouri divides real estate into three subclasses: residential, commercial,
12 and agricultural. Residential real estate is assessed at 19% of market value, commercial
13 real estate is assessed at 32% of market value, and agricultural real estate is assessed at
14 12% of market value.

15 Q. Please explain how your office determines the market value of commercial real estate.

16 A. Commercial real estate is valued by the Buchanan County Assessor primarily by the
17 cost approach method. In limited circumstances, the County may value commercial
18 real estate by the income approach or the market (sales comparison) approach.

19 Q. Are you familiar with Buchanan County's 2003 tax assessment of MAWC's water
20 plant?

21 A. Yes, I am.

22 Q. Does Schedule SWV-1, MAWC's 2003 Tax Assessment from Buchanan County,
23 depict this appraisal and assessment process?

1 A. Yes. Schedule SWV-1 shows the assessed total of MAWC's water plant based on the
2 real estate's appraised market value.

3 Q. For tax purposes in Buchanan County, does this water plant qualify as commercial real
4 estate that is assessed at 32% of its market value?

5 A. Yes.

6 Q. What was the 2003 total appraised market value of the water plant for tax purposes in
7 Buchanan County?

8 A. \$23,000,000.

9 Q. How did your office arrive at this number?

10 A. We utilized the cost approach method and established the value of the water plant
11 through an independent appraisal obtained by MAWC in 2000.

12 Q. What was the 2003 assessed value of the water plant for tax purposes in Buchanan
13 County?

14 A. Thirty-two percent of the water plant's \$23,000,000 appraised market value, or
15 \$7,360,000.

16 Q. Does the total appraised market value include personal property at the water plant?

17 A. No. The total appraised market value includes only the value of the plant itself. A
18 separate appraisal is conducted of the personal property at the plant.

19 Q. Is the water plant located entirely in Buchanan County?

20 A. No. A portion of the plant is located in Andrew County, Missouri.

21 Q. What do the records of the Andrew County Assessor's Office show as the appraised
22 value of any MAWC property based on cost?

Property Number

03-9.0-29-000-000-035.000

Owner - Mailing Address

MISSOURI AMERICAN WATER CO
BOB MAUL
535 N NEW BALLAS RD
ST LOUIS, MO 63141

Situation Address

800 NE COUNTY LINE RD ,

Property Name (DBA): MISSOURI AMERICAN WATER CO

SEC, TWP, RNG: 29 - 58 - 35 NE

Property Description:

BEG NW COR NE4 TH S 30' TO POB TH S 285' W 320' S 990' E 320' S 20' E 955' N 380' W 80' N
960' W 200' S 228.07' SW 162.42' W 180.67' N 50' W 86.5' N 355' W 352' TO POB

Index: 2.5 Lot Size: X Deeded Acres: 31.39 Calculated Acres: 31.39

UTIL
ROAD
TOPO

Year:
2003

School	Fire	City	Libr	Amb	Special
SJ	MH		RH		

Type Code: OR

Permits:

Zoning:

Land Use Code: 243

Appr By: BP13
Appr Date: 12/1/98
Review By:
Review Date:
Information By:
Date Printed: 7/21/03

Book 2016
Page 950

Acquired 09/15/95
Consideration

APPRAISED VALUE

	IMPROVEMENTS	LAND	TOTAL	ASSESSED TOTAL
RES	0	0	0	0
AGR	0	0	0	0
COM	19,900,000	3,100,000	23,000,000	7,360,000
				7,360,000

AG ACRES GRADE \$ PER ACRE VALUATION

LAND DATA

CLASS TYPE LOC OF SFF FF / ACRES DEPTH UNIT PRICE DEPTH FAC. ADJ. FAC ADJ. AMOUNT VALUATION

COM 0.00 SqFt 3,100,000

COMMENTS:

IMPROVEMENT DATA

Bldg No.	Struct	Yr Built	Yr Rem	Eff. Yr.	Bd Stor	Rm Clas	Rate Cd	UNITS Class Const Total	Base Rate	Adj Rate	Index	Sq Ft Cost	Base Area	Adj Area	Base Cost	Extra Feat.	Replace Cost	Phy Cond	Adj Cond	Appraised Value	R%	A%	C%
1	-	0	0	0	0			0.00 0.00 0.00	0.00	0.00	2.5	0.00	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0.0
1		0	0	0	0			0.00 0.00 0.00	0.00	0.00	2.5	0.00	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0.0
1		0	0	0	0			0.00 0.00 0.00	0.00	0.00	2.5	0.00	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0.0
1		0	0	0	0			0.00 0.00 0.00	0.00	0.00	2.5	0.00	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0.0
1		0	0	0					0.00	0.00	2.5	0.00	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0.0
1		0	0	0					0.00	0.00	2.5	0.00	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0.0
1		0	0	0					0.00	0.00	2.5	0.00	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0.0
1		0	0	0					0.00	0.00	2.5	0.00	0	0	0	0	0	0.00	0.00	0	0.00	0.00	0.0

AVOID PENALTY
Due March 1,
2002

2002 BUSINESS ASSESSMENT LIST

Jerry W. Joe, ASSESSOR, ANDREW COUNTY, MO
P.O. Box 149 • Savannah, MO 64485-0149
Phone: 816-324-3023 Fax: 816-324-5667

POSTED STANDARD
U.S. POSTAGE
PAID
MAIL PERMIT NO. 6901
SAVANNAH, MO

Dear Business Owner/Manager:
Please list all tangible personal property belonging to or under the control of your Company in Andrew County, State of Missouri, on the first day of January, 2002.
Review additional instructions on back of form and return this list to us by March 1st to avoid penalty. Please call our office if you have questions.

Taxing District Code:

(Please check & correct
name & address)

MISSOURI AMERICAN WATER COMPANY
P.O. BOX 6276
ST. JOSEPH, MISSOURI 64506

This return will be used by the assessor in your county to determine the taxable value of your business personal property and is subject to audit. Incomplete or late returns are subject to penalties provided by law. Upon request, you should be prepared to provide documentation for the contents of this list.

BUSINESS INFORMATION

LIST ACTUAL PHYSICAL LOCATION AND TELEPHONE NUMBER OF PROPERTY COVERED BY THIS RETURN (STREET ADDRESS, NOT P.O. BOX NUMBER)

STREET ADDRESS	CITY	STATE	ZIP CODE	TELEPHONE
1000 E. MAIN ST.	SAVANNAH	MO	64485	816-324-3023

PERSONAL PROPERTY SUMMARY

This is a summary schedule only. Please itemize in detail by line item number on schedule at bottom of form.

ITEM	ORIGINAL COST
1. Office furniture, machines, and library	\$
2. Sign, bus & house, restaurant equipment	\$
3. Machinery and manufacturing equipment	\$66,771.18
4. Professional, medical, dental, and laboratory equipment	\$
5. Hotel, motel, apartment and rental units (household goods)	\$
6. Service station and bulk plant equipment, lifts, tools, etc.	\$
7. Pollution control equipment	\$

LEASED PERSONAL PROPERTY SUMMARY

Please list below any leased or rented equipment in your possession. The terms of your lease or rental contract may determine tax liability. This section is designed to ensure that the property is assessed in the proper owner. You may wish to attach a separate list to a copy of your lease.

ITEM	DATE OF LEASE	TERMINATION DATE	OWNER'S NAME AND ADDRESS

ATTACH ADDITIONAL SHEET IF NECESSARY.

TO RETURN: FOLD TOGETHER HERE - FIRST FOLD

ITEM	DATE OF ACQUISITION	ORIGINAL COST	DEPRECIATION	RESIDUAL VALUE
8. Computer equipment, computers, word processors, telecommunications equipment, etc.		\$		\$
9. Equipment owned by you but leased or loaned to others		\$		\$
10. Vehicle, motor, tractor, or power machinery		\$		\$
11. Mobile construction equipment		\$		\$
12. Supplies not held for resale		\$		\$
13. Other		\$		\$
Please specify		\$		\$
TOTAL COST OF BUSINESS PERSONAL PROPERTY		\$		\$

Vehicles: Please list below (and on back if necessary) all licensed, non-licensed, and other motorized vehicles used by your business. Attach separate form if necessary.

MODEL YEAR	MANUFACTURER	TYPE OR STYLE	NUMBER OF CYCLES	ASSESSOR'S USE ONLY
				% VALUE
				ASSESSOR'S VALUE
				\$
				\$
				\$
				\$
				\$
				\$

Tangible personal property tax schedules (from personal property summary above). Please itemize individual items below. Attach additional schedule if necessary.

LINE ITEM NUMBER	DESCRIPTION OF ITEM	AGE	YEAR PURCHASED	ORIGINAL COST	DEPRECIATION	RESIDUAL VALUE	ASSESSOR'S USE ONLY
					GOOD	AVG	% VALUE
3	VERTICAL, HORIZONTAL WELLS	3	2000	\$64,354.77	✓	15	\$ 16,291.12
	WATER MAINS, PUMPING EQUIP.	4	1999	\$19,771	✓	20	\$ 3,954.20
		9	1992	\$4,400	✓	25	\$ 1,100.00
7	Pollution Control Equip	3	2000	\$25,015.00	✓	15	\$ 3,752.25
							SUB TOTAL
							71,097.57
							PENALTY
							TOTAL
							20,190.22

AGENT OR PREPARER INFORMATION

NAME CARPENTERS ASSOC. INC.	ADDRESS 322 W. WILSON ST.
CITY, STATE, ZIP CODE SAVANNAH, MO 64485	TELEPHONE (816) 836-2700

I, Carroll A. Joe, do solemnly swear, or affirm, that the foregoing list contains a true and correct statement of all the real property and tangible personal property, made taxable by the laws of the state of Missouri, which I owned or which I am under my charge or management on the first day of January, 2002. I further solemnly swear, or affirm, that I have not sold or taken, or caused to be sold or taken, any property out of the state to avoid taxation. So help me God.

Continued on back

Schedule SW-2