JAN 2 3 2004

Exhibit No.:

Issues:

St. Joseph Plant Value & Tax

Assessment

Wimess:

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 Selvice Communition

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

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Remoder	

KC-1123832-1 2005/3

IN THE MATTER OF MISSOURI-AMERICAN)	- The second of
WATER COMPANY FOR AUTHORITY TO)	
FILE TARIFFS REFLECTING INCREASED)	CASE NO. WR-2003-0500
RATES FOR WATER AND SEWER)	
SERVICE)	

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.

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
0		earned a Bachelor of Science degree in Management in 1996. From 1988 to 1992, I
1		served in the United States Navy. I began working for the Buchanan County
2		Assessor's Office in 1995 as a field appraiser, and was later promoted to Commercial
.3		Appraiser and Chief Appraiser of the County. In 2000 I was elected Buchanan County
4		Assessor.
.5	Q.	Have you previously participated in regulatory matters?
6	A.	No.
17	Q.	What is the purpose of your testimony?
8	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
- 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
- true value in money of property on which taxes are based. For tax assessment
- purposes, Missouri divides real estate into three subclasses: residential, commercial,
- and agricultural. Residential real estate is assessed at 19% of market value, commercial
- 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
- 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,
- 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 For tax purposes in Buchanan County, does this water plant qualify as commercial real Q. 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 Thirty-two percent of the water plant's \$23,000,000 appraised market value, or A. 15 \$7,360,000. 16 Does the total appraised market value include personal property at the water plant? Q.
- 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.
- Q. What do the records of the Andrew County Assessor's Office show as the appraised value of any MAWC property based on cost?

separate appraisal is conducted of the personal property at the plant.

No. The total appraised market value includes only the value of the plant itself. A

17

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A.

Property Number Situs Address Owner - Mailing Address 03-9.0-29-000-000-035.000 800 NE COUNTY LINE RD . MISSOURI AMERICAN WATER CO Property Name (DBA): MISSOURI AMERICAN WATER CO **BOB MAUL** 535 N NEW BALLAS RD SEC, TWP, RNG: 29 - 58 - 35 NE Deeded Acres: Calculated Acres: Index: Lot Size: STLOUIS, MO 63141 2.5 χ· 31.39 31.39 **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 UTIL Year: 960' W 200' S 228.07' SW 162.42' W 180.67' N 50' W 86.5' N 355' W 352' TO POB ROAD 2003 TOPO Appr By: School City Libr Amb Special Type Code: OR Fire Zoning: Appr Date: 243 SJ RH Permits: Land Use Code: MH Review By: **APPPRAISED VALUE** AG ACRES GRADE \$ PER ACRE VALUATION Review Date: TOTAL **IMPROVEMENTS** LAND **ASSESSED TOTAL** Information By: 0 RES 0 0 0 Date Printed: 7/21/03 AGR. 0 0 0 0 19,900,000 COM 3.100.000 23.000.000 7.360.000 Book Page 7,360,000 LAND DATA

Acquired UNIT PRICE DEPTH FAC. ADJ. FAC. ADJ. AMOUNT. VALUATION **DEPTH**

TYPE LOC OF FF/ACRES SFF CLASS Consideration

3,100,000

BP13

2016

950

COMMENTS:

09/15/95

12/1/98

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2002 BUSINESS ASSESSMENT LIST

AVOID PENALTY
Due March 1,
2002 2250 3

Jerry W. Joe, ASSESSOR, ANDREW COUNTY, MO P.O. Hox 149 • Sayannah, MO 64485-0149 Phone: 816-324-3023 Fax: 816-324-5667 PRESONTED STANDARD U.S. POSTAGE PAID MARCIAL COM 707 COME 67500 PERMIT NO. 961

Dear Pusiness Owner@manager:
Please list all ladguide personal properly belonging to or under the centre of your Company in Andrew County, State of Missouri, on the first day of January, 2002.
However, additional instructions on back of form and return this list to us by March 1st to good penalty. Please call our office if you have greeklons.

Taxing District Code:

(Please stjeck & correct name & address)

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

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1) Short attached