BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

In the Matter of Missouri-American Water Company for a Certificate of Convenience and Necessity Authorizing it to Install, Own, Acquire, Construct, Operate, Control, Manage and Maintain a Water System in and around Johnson County, Missouri (Portion of Johnson County PWSD No. 3)	)))))))	**File No. WA-2025-_____**

APPLICATION AND MOTION FOR WAIVER

COMES NOW Missouri-American Water Company ("MAWC") pursuant to Sections 393.140, 393.170, and 393.320, RSMo, and 20 CSR 4240-2.060, 20 CSR 20 4240-3.600 and 20 CSR 4240-4.017(1)(D), and for its *Application and Motion for Waiver*, states as follows to the Missouri Public Service Commission:

BACKGROUND INFORMATION

1. This Application is being filed by MAWC to obtain a Certificate of Convenience and Necessity ("CCN") to install, own, acquire, construct, operate, control, manage and maintain a portion of a water system in and around Johnson County, Missouri currently owned and operated by Johnson County Public Water Supply District No. 3 ("Johnson County PWSD No. 3").

2. MAWC is a Missouri corporation, active and in good standing with the Missouri Secretary of State, with its principal office and place of business at 727 Craig Road, St. Louis, Missouri 63141. Pursuant to Commission regulation 20 CSR 4240-2.060(1)(G), MAWC incorporates by reference the certified copies of its articles of incorporation and its certificate of good standing previously filed in File No. WO-2020-0190.

3. MAWC currently provides water service to approximately 485,000 customers and sewer service to approximately 24,000 customers in several counties throughout the state

of Missouri. MAWC is a "water corporation," a "sewer corporation," and a "public utility" as those terms are defined in Section 386.020 and is subject to the jurisdiction and supervision of the Commission as provided by law. MAWC has no overdue Commission annual reports or assessment fees. There is no pending action or final unsatisfied judgment or decision against MAWC from any state or federal agency or court which involves customer service or rates, which action, judgment or decision has occurred within three years of the date of this Application.

4. Communications respecting this Application should be addressed to the undersigned counsel and:

Missouri-American Water Company:

Missouri-American Water Company
727 Craig Road
Creve Coeur, Missouri 63141

Attn : Stephen Kadyk, P.E.
Engineering Manager of Customer Development
Direct Dial 314-239-9515
steve.kadyk@amwater.com

CERTIFICATE OF CONVENIENCE AND NECESSITY

5. MAWC proposes to purchase a portion of the water assets of the currently unregulated system of Johnson County PWSD No. 3, and requests permission, approval and a CCN to own, acquire, construct, operate, control, manage and maintain the water system for the public in an area in and around Johnson County, Missouri.

6. Johnson County PWSD No. 3 has a service area population of approximately 4,700 persons and currently serves approximately 2,100 water accounts. To provide service to the proposed area, MAWC will purchase a portion of the water system from Johnson County PWSD No. 3. The proposed acquisition is a result of Johnson County PWSD No. 3 approaching MAWC to help resolve a public safety problem. It does not have sufficient capacity and fire protection for

the subject portion of its service area as designated, which consists of approximately 120 water accounts. MAWC has the ability to provide the required fire flows for fire protection in this area.

7. The portion of the water system for the proposed purchase includes two sections - a northern and southern region. The northern region is comprised of approximately 10,000 feet of mostly 3-inch main located to the southwest of Highway 13 and Highway 50 interchange. The southern region is comprised of approximately 43,000 feet of 2-inch to 8-inch main located to the west of Highway 13, south of Highway DD and east of State Route 13.

8. On January 21, 2025, MAWC entered into a *Purchase Agreement for Certain Water Distribution System Assets* ("*Purchase Agreement*") with Johnson County PWSD No. 3. A copy of the Purchase Agreement is attached as **Appendix A**. The schedules and exhibits to the Purchase Agreement have not been created at this time. In most cases, they are prepared upon approval by the Missouri Public Service Commission as part of the closing process.

9. On February 20th, 2025, the Board of Directors of Johnson County approved a resolution authorizing the sale of the described portion of Johnson County PWSD No. 3's water assets. A copy of the resolution is attached hereto as **Appendix B**.

10. MAWC proposes to purchase a portion of the water assets of Johnson County PWSD No. 3, and under the terms and provisions of the *Purchase Agreement.* Legal descriptions of the water area sought to be certificated are attached as **Appendix C.** A map of the water area sought to be certificated is attached to this Application as **Appendix D.**

11. Attached hereto and marked as **Appendix E-C** is a list of ten residents or landowners within the proposed service area. **Appendix E-C** has been identified as Confidential in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)1, as it contains customer specific information.

APPRAISAL

12. MAWC seeks to establish the ratemaking rate base associated with the Johnson County PWSD No. 3 water assets pursuant to Section 393.320, RSMo. Section 393.320.2 states as follows:

> *The procedures contained in this section may be chosen by a large water public utility, and if so chosen shall be used by the public service commission to establish the ratemaking rate base of a small water utility during an acquisition.*

13. MAWC is a "large water public utility" as it is a "public utility regularly provides water service or sewer service to more than eight thousand customer connections and that provides safe and adequate service." Section 393.320.1(1), RSMo. Johnson County PWSD No. 3 is a "small water utility" as it is a "a water district established under the provisions of chapter 247 that regularly provides water or sewer service to eight thousand or fewer customer connections." Section 393.320.1(2), RSMo.

14. Section 393.320.3(1), RSMo requires an appraisal to be performed by three appraisers. Johnson County PWSD No. 3 selected Mid-American Land Services, Inc. as their appraiser, MAWC selected Elizabeth Goodman Schneider, LLS as their appraiser and Dinan Real Estate Advisors was selected as the third-party appraiser by the other two appraisers. The appraisers completed a fair market value of the water system and determined the fair market value was in accordance with Missouri law and with the Uniform Standards of Professional Appraisal Practice (USPAP). Such an appraisal has been performed on the Johnson County PWSD No. 3 water system for the portion of the assets involved and is attached hereto as **Appendix F**. The appraisal references the Hartman Consultants, LLC engineering report, which is included in **Appendix F**. The appraisal estimated the value of the

subject properties to be $600,000.

15. Section 393.320.5(1), RSMo, states, in part, that the "lesser of the purchase price or the appraised value, together with the reasonable and prudent transaction, closing, and transition costs incurred by the large water public utility, shall constitute the ratemaking rate base for the small water utility as acquired by the acquiring large water public utility…" In this case, the purchase price is $600,000 for the identified portion of the assets. Therefore, the purchase price together with the reasonable and prudent transaction, closing, and transition costs incurred by MAWC, shall constitute the ratemaking rate base.

ADDITIONAL INFORMATION

16. Attached hereto and marked as **Appendix G-C** is the feasibility study for the water system. No external financing is anticipated. **Appendix G-C** has been marked as "Confidential" in accordance with Commission Rule 20 CSR 4240-2.135(2)(A)3, 4 and 6 and contains market specific information and information representing strategies employed in contract negotiations.

17. Attached hereto and marked as **Appendix H** is an Integration Appendix that includes information relevant to the integration process of this proposed acquisition.

TARIFFS/RATES

18. MAWC proposes to provide water service pursuant to the existing rates currently applicable to *All Missouri Service Areas Outside of St. Louis County* and to utilize the rules governing the rendering of water service currently found in MAWC's water tariff P.S.C. MO No. 13 until such time as the rates and rules are modified according to law.

19. The current water rates for Johnson County are as follows:

$20.00 for the first 1,000 gallons, then $10.17 per 1,000 gallons between 2,000 and

20,000 gallons, then $6.15 per 1,000 gallons over 20,000 gallons.

PUBLIC INTEREST

20. The grant of the requested CCN (and approval of the underlying transaction) is in the public interest and will result in the provision of regulated water service to the current and future residents of the service area. The portion of water assets of Johnson County PWSD No. 3 acquired by MAWC, a Missouri public utility, would be subject to the jurisdiction of the Commission. MAWC has considerable expertise and experience in providing water and sewer utility services to residents of the State of Missouri and is fully qualified, in all respects, to own and operate a portion of the water system currently being operated in and around Johnson County.

21. Johnson County PWSD No. 3 water customers will benefit from this acquisition for various reasons including public safety through increased fire flow for the requisite fire protection, their need for investment to maintain compliance with existing and new regulations, and the desire to maintain affordability.

MOTION FOR WAIVER

22. Commission Rule 20 CSR 4240-4.017(1) provides that "(a)ny person that intends to file a case shall file a notice with the secretary of the commission a minimum of sixty (60) days prior to filing such case." A notice was not filed 60 days prior to the filing of this Application. As such, and to the extent required, MAWC seeks a waiver of the 60-day notice requirement.

23. Rule 20 CSR 4240-4.017(l)(D) provides that a waiver may be granted for good cause. In this regard, MAWC declares (as verified below) that it has had no communication with the Office of the Commission (as defined by Commission Rule 20 CSR 4240-4.015(10)) within the prior 150 days regarding any substantive issue likely to be in this case, other than those pleadings filed for record. Accordingly, for good cause shown, MAWC moves for a waiver of

the 60-day notice requirement of Rule 20 CSR 4240-4.017(1) and acceptance of this Application at this time.

WHEREFORE, MAWC requests the Commission issue an order:

1. Granting MAWC's motion for a waiver of the 60-day notice requirement of Rule 20 CSR 4240-4.017(1);

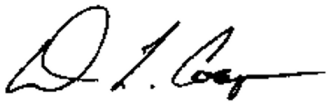
2. Granting MAWC permission, approval and a Certificate of Convenience and Necessity authorizing MAWC to install, acquire, build, construct, own, operate, control, manage and maintain a portion of the water system of Johnson County PWSD No. 3 for the public within the areas referred to above;

3. Granting MAWC permission to acquire a portion of the water assets as identified herein of Johnson County PWSD No. 3;

4. Ordering that the purchase price together with the reasonable and prudent transaction, closing, and transition costs incurred by MAWC, shall constitute the ratemaking rate base; and,

5. Authorizing MAWC to take such actions as may be deemed necessary and appropriate to accomplish the purposes of the *Purchase Agreement* and the Application and to consummate related transactions in accordance with the *Purchase Agreement*.

Respectfully submitted,



Dean L. Cooper, Mo. Bar #36592
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Rachel Niemeier, Mo. Bar #56073
Corporate Counsel
MISSOURI-AMERICAN WATER COMPANY
727 Craig Road
St. Louis, MO 63141
(314) 996-2279 (Tim)
(314) 996-2390 (Rachel)
timothy.luft@amwater.com
rachel.neimeier@amwater.com

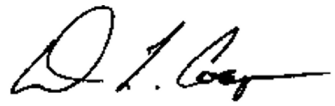
ATTORNEYS FOR MISSOURI-AMERICAN WATER COMPANY

CERTIFICATE OF SERVICE

I do hereby certify that a true and correct copy of the foregoing document has been sent by electronic mail this 25th day of April 2025, to:

General Counsel's Office
staffcounselservice@psc.mo.gov

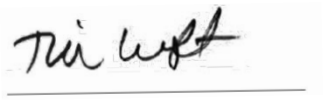
Office of the Public Counsel
opcservice@opc.mo.gov



VERIFICATION

State of Missouri)
) ss
County of St. Louis)

I, Timothy W. Luft, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am Vice-President - Legal of Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of MAWC, that I have knowledge of the matters stated herein, and that said matters are true and correct to be best of my knowledge and belief. Additionally, no representative of MAWC has had any communication with the office of the Missouri Public Service Commission as defined in Commission Rule 20 CSR 4240-4.015(10) within the immediately preceding 150 days regarding the subject matter of this Application.



List of Appendices

Appendix A	Purchase Agreement
Appendix B	Johnson County Resolution No. 2025-001
Appendix C	Legal description
Appendix D	Map
Appendix E-C	List of Ten Residents
Appendix F	Appraisal Report
Appendix G-C	Feasibility Study
Appendix H	Integration H-1 H-2 H-3 H-4

Agreement for Purchase of Certain Water System Assets

This **Agreement for Purchase of Certain Water System Assets** (the "Agreement") is made and entered into on the 21st day of January 2025 between **Missouri-American Water Company**, a Missouri corporation ("Missouri-American"), and the **Public Water Supply District No. 3 of Johnson County, Missouri** ("PWSD #3"). PWSD #3 currently owns and operates a water system in parts of Johnson County, Missouri. PWSD #3 desires to sell a portion of the system assets to Missouri-American pursuant to the terms and conditions of this Agreement.

1. **Transfer of Assets** On and subject to the terms and conditions of this Agreement, at the closing on the closing date, Missouri-American shall purchase, acquire and accept from PWSD #3, and PWSD #3 shall sell, convey, transfer, assign and deliver to Missouri-American, free and clear of all Encumbrances, the acquired assets. The assets to be acquired are outlined in Table C-1 of the Valuation Report dated August 29, 2024, and attached as Exhibit A.

2. **Consideration.** The purchase price shall be Six Hundred Thousand Dollars ($600,000.00).

3. **No Assumption of Liabilities.** Any and all Liabilities of PWSD #3 prior to and at the time of closing shall remain the sole responsibility of and shall be retained, paid, performed and discharged solely by PWSD #3.

4. **Closing Obligations of PWSD #3.** At closing PWSD #3 shall deliver or cause to be delivered to Missouri-American, the following documents:

    a. a Bill of Sale, duly executed by PWSD #3;

    b. for each interest in real property and each easement and/or right-of-way affecting any real property or acquired asset, a recordable warranty deed or such other appropriate document or instrument of transfer or approval, as the case may require, each in form and substance reasonably satisfactory to Missouri-American; and such other deeds, bills of sale, assignments, certificates of title, documents and other instruments of transfer and conveyance as may reasonably be requested by Missouri-American, each in form and substance reasonably satisfactory to Missouri-American.

5. **Closing Obligations of Missouri-American.** Upon closing, Missouri-American will have the obligation to serve the PWSD #3 water customers by combining them with its existing business in its Warrensburg District which includes the City of Warrensburg and vicinity.

6. **Real Property; Easements, Legal and Environmental Matters.** PWSD #3 warrants that it owns and has good and marketable title to the system and real property rights, free and clear of all options, leases, covenants, conditions, easements, agreements, claims, and other encumbrances of every kind and there exists no restriction on the use or transfer of such property. There is no unpaid property tax, levy or assessment against the property (except for taxes not yet due and payable), nor is there pending or threatened any condemnation proceeding against the real property or any portion thereof. There is no threatened or pending legal proceedings relative to the system including any claims of any environmental issues relating to the system or the property.

7. **Governmental and Third-Party Approvals.** As a condition precedent to closing, Missouri-American shall obtain all necessary applicable consents and approvals from governmental authorities and other third parties, acceptable to Missouri-American in its sole and absolute discretion.

8. **Governing Law.** This Agreement and the rights and obligations of the Parties hereunder are to be governed by and construed and interpreted in accordance with the laws of the State of Missouri.

9. **Legal Fees, Costs.** Each Party is responsible for its own fees, costs and expenses.

10. **Notices.** All notices, Consents, requests, demands and other communications hereunder are to be in writing and are deemed to have been duly given, made or delivered in each case addressed as follows:

If to PWSD #3, to:

Public Water Supply District No. 3 of Johnson County, Missouri, 106 SE 421 Road, Warrensburg, MO 64093, Attn: David Streeter, General Manager, with a copy to Aaron L. Aurand, Crouch, Spangler & Douglas, 117 S. Lexington St., Harrisonville, MO 64701.

If to Missouri-American to:

Missouri-American Water Company, 727 Craig Road, St. Louis, Missouri 63141, Attn: President, with a copy to Missouri-American Water Company, 727 Craig Road, St. Louis, Missouri 63141, Attn: General Counsel,

or to such other address as any Party hereto may designate by notice to the other Parties in accordance with the terms of this Section.

IN WITNESS WHEREOF, the Parties have executed this Agreement for Purchase of Certain Water System Assets as of the date first set forth above:

Missouri-American Water Company

By: _____
Rich Svindland, President

Public Water Supply District No. 3 of Johnson County, Missouri

By: _____
Larry Wright, President

RSOLUTION NO. 2025-001

A RESOLUTION AUTHORIZING THE BOARD OF DIRECTORS TO EXECUTE A PURCHASE AGREEMENT AND CLOSING DOCUMENTS ON BEHALF OF PUBLIC WATER SUPPLY DISTRICT NO. 3 OF JOHNSON COUNTY, MISSOURI AND MISSOURI-AMERICAN WATER COMPANY TO EFFECTUATE THE SALE AND TRANSFER OF A PORTION OF THE PUBLIC WATER SUPPLY DISTRICT NO. 3'S WATER UTILITY ASSETS

WHEREAS, the Board of Directors of the Public Water Supply District No. 3 of Johnson County, Missouri (hereinafter "PWSD No. 3") passed a resolution for the sale and transfer of a portion of the PWSD No. 3's water utility assets.

WHEREAS, PWSD No. 3 and Missouri-American Water Company (hereinafter "MAWC") have jointly negotiated the terms upon which PWSD No. 3 will sell and transfer a portion of their water utility assets to MAWC for the amount of Six Hundred Thousand Dollars ($600,000.00) and the mutual obligations and commitments of both parties moving forward in the attached Agreement for Purchase of Certain Water System Assets ("Purchase Agreement") signed on January 21, 2025 by the Board President of PWSD No. 3 and President of MAWC.

NOW, BE IT ORDAINED BY THE BOARD OF DIRECTORS OF PWSD NO. 3 OF JOHNSON COUNTY, MISSOURI, AS FOLLOWS:

Section One. The PWSD No. 3 Board of Directors, hereby authorizes the Board President to execute the Purchase Agreement as presented, and further authorizes the PWSD No. 3 General Manager to forward a signed version of said Purchase Agreement to MAWC for their execution and approval.

Section Two. The PWSD No. 3 Board President is hereby authorized and directed to execute the Purchase Agreement, and upon regulatory approval, to execute such documents as are required to transfer the water system assets, together with easements and select real estate, to MAWC, per the terms of the Purchase Agreement, and to execute any other documents necessary under the terms thereof.

Passed by the Board of Directors of PWSD No. 3 of Johnson County, Missouri, on the 20th day of February, 2025.

APPROVED: **DATE:**

Gary Wright — 2/20/25

Name, Board President

ATTEST: **DATE:**

Witness Name, Title — 2-20-25

APPENDIX C

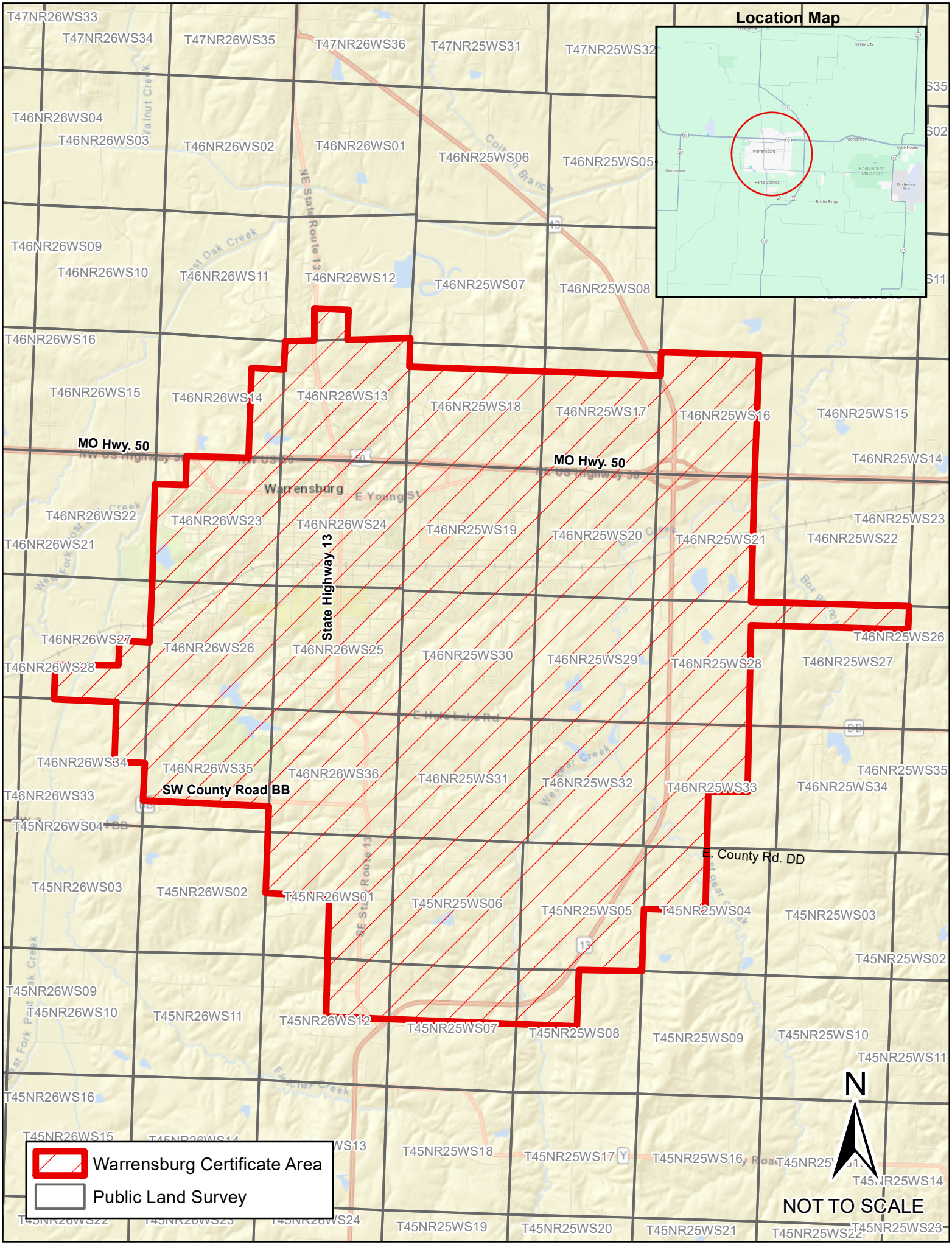
Legal Description

A tract of land being in parts or all of **Sections 4, 5, 6, 7, 8, Township 45 North, Range 25 West**, **Sections 1, 12, Township 45 North, Range 26 West**, **Sections 16, 17, 18, 19, 20, 21, 27, 28, 29, 30, 31, 32, 33, Township 46 North, Range 25 West**, and **Sections 12, 13, 14, 23, 24, 25, 26, 27, 34, 35, 36, Township 46 North, Range 26 West**, All of the Fifth Principal Meridian, in the City of Warrensburg, county of Johnson in the State of Missouri and being more particularly described as follows:

Commencing at the Southwest Corner of the Northeast Quarter of **Section 12, Township 45 North, Range 26 West**; thence North, along the West line of said Quarter Section to the Northwest Corner thereof, being also the Southeast Corner of the Southwest Quarter of **Section 1, Township 45 North, Range 26 West**; thence continuing North, along the East line of said Quarter Section to the Northeast Corner thereof; thence West, along the North Line of said Quarter Section to the Northwest Corner thereof and the West Line of said **Section 1**; thence North, along the West Line of said **Section 1** to the Northwest Corner thereof, being also the Southeast Corner of the Southeast Quarter of the Southeast Quarter of **Section 35, Township 46 North, Range 26 West**; thence North, along the East Line of said Quarter-Quarter Section to the Northeast corner thereof; thence West, along the North Line of said Quarter-Quarter Section and it's West prolongation to the Northwest Corner of the Southwest Quarter of the Southwest Quarter of said **Section 35**, being also the Southeast Corner of the Northeast Quarter of the Southeast Quarter of **Section 34, Township 46 North, Range 26 West**; thence North, along the East Line of said Quarter-Quarter Section to the Northeast Corner thereof; thence West, along the North Line of said Quarter-Quarter Section to the Northwest Corner thereof; thence North, along the West Line of said Quarter-Quarter Section and it's North prolongation to the North Line of said **Section 34**, being also the Southeast Corner of the Southwest Quarter of the Southeast Quarter of **Section 27, Township 46 North, Range 26 West**; thence West, along the South Line of said Quarter-Quarter Section and it's West prolongation to the Southwest Corner of the Southeast Quarter of the Southeast Quarter of said **Section 27**; thence North, along the West Line of said Quarter-Quarter Section to the Northwest Corner thereof; thence East, along the North Line of said Quarter-Quarter Section and it's East prolongation to the Southeast Corner of the Northwest Quarter of the Southeast Quarter of said **Section 27**; thence North, along the East Line of said Quarter-Quarter Section to the Northeast Corner thereof; thence East to the East Line of said **Section 27**; thence North to the Northeast Corner thereof, being also the Southeast Corner of **Section 22, Township 46North, Range 26 West**; thence continuing North, along the East Line of said Section 22 to the Southwest Corner of the Northwest Quarter of the Northwest Quarter of said **Section 23, Township 46 North, Range 26 West**; thence East, along the South Line of said Quarter-Quarter Section to the Southeast Corner thereof; thence North, along the East Line of said Quarter-Quarter Section to the Northeast Corner thereof, being also on the South Line of said **Section 14, Township 46 North, Range 46 West**; thence East, along the South Line of said **Section 14** to the Southwest Corner of the

Southeast Quarter of the Southeast Quarter of said **Section 14**; thence North, along the West Line of said Quarter-Quarter Section and it's North prolongation to the Southwest Corner of the Northeast Quarter of the Northeast Quarter of said **Section 14**; thence East, along the South Line of said Quarter-Quarter Section to the Southeast Corner thereof; thence North, along the East Line of said Quarter-Quarter Section to the Northeast Corner thereof, being also the Southwest Corner of **Section 12, Township 46 North, Range 26 West**; thence continuing East, along the South Line of said Section 12 to the Southwest Corner of the Southeast Quarter of the Southwest Quarter of said **Section 12**; thence North, along the West Line of said Quarter-Quarter Section to the Northwest Corner thereof; thence East, along the North Line of said Quarter-Quarter Section to the Northeast Corner thereof; thence South, along the East Line of said Quarter-Quarter Section to the Southeast Corner thereof; thence East, along the South Line of said **Section 12** to the Southeast Corner thereof; thence continuing South a short distance to the Northwest Corner of **Section 18, Township 46 North, Range 25 West**; thence continuing South to the Southwest Corner of the Northwest Quarter of the Northwest Quarter of said **Section 18**; thence East, along the South Line of said Quarter-Quarter Section and it's East prolongation through **Sections 18 and 17** to the East Line of **Section 17**, **Township 46 North, Range 25 West**; thence North, along the East Line of said **Section 17** to the Northeast Corner thereof, being also the Northwest Corner of **Section 16**, **Township 46 North, Range 25 West**; thence East, along the North Line of said Section to the Northwest Corner of the Northeast Quarter of the Northeast Quarter of said **Section 16**; thence South, along the West line of said **Quarter-Quarter Section** and it's South prolongation to the Southwest Corner of Southeast Quarter of the Southeast Quarter of said **Section 16**, being also the Northwest Corner of the Northeast Quarter of the Northeast Quarter of **Section 21, Township 46 North, Range 25 West**; thence South, along the West Line of said **Quarter-Quarter Section** and it's South prolongation to the Southwest Corner of the Southeast Quarter of the Southeast Quarter of said **Section 21**; thence East, along the South Line of said **Quarter-Quarter Section** to the Southeast Corner thereof, being also Northwest Corner of **Section 27, Township 46 North, Range 25 West**; thence continuing East, along the North Line of said **Section 27** to the Northeast Corner thereof; thence South, along the East Line of said **Section 27** to the Southeast Corner of the Northeast Quarter of the Northeast Quarter of said **Section 27**; thence West, along the South Line of said **Quarter-Quarter Section** and it's West prolongation to the Southwest Corner of the Northwest Quarter of the Northwest Quarter of said **Section 27**, being also the Southeast Corner of the Northeast Quarter of the Northeast Quarter of **Section 28, Township 46 North, Range 25 West**; thence West, along the South Line of said **Quarter-Quarter Section** to the Southwest Corner thereof, being also the Northwest Corner of the Southeast Quarter of the Northeast Quarter of said **Section 28**; thence South, along the West Line and it's South prolongation to the Southwest Corner of the Southeast Quarter of the Southeast Quarter of said **Section 28**, being also the Northwest Corner of the Northeast Quarter of the Northeast Quarter of **Section 33, Township 46 North, Range 25 West**; thence South, along the West Line of said **Quarter-Quarter Section** and it's South prolongation to the Southeast Corner of the Southwest Quarter of Northeast Quarter of said **Section 33**; thence West, along the South Line of said **Quarter-Quarter Section** to the

Southwest Corner thereof, being the Northeast Corner of the Southwest Quarter of **Section 33**; thence South, along the East Line of said Quarter Section to the Southeast Corner thereof, being also the Northeast Corner of the Northwest Quarter of **Section 4, Township 45 North, Range 25 West**; thence South, along the East Line of said Quarter Section to the Southeast Corner thereof; thence West, along the South Line of said Quarter Section to the West Line of said **Section 4**; thence South, along said West Line to the Southwest Corner thereof, being also the Northeast Corner of **Section 8, Township 45 North, Range 25 West**; thence West, along the North Line of said Section to the Northwest Corner of the Northeast Quarter of said **Section 8**; thence South, along the West Line of said Quarter Section to the Southwest Corner thereof; thence West to the West Line of said **Section 8**, being also the Southeast Corner of the Northeast Quarter of **Section 7, Township 45 North, Range 25 West**; thence West, along the South Line of said Quarter Section and it's West prolongation to the West Line of said **Section 7**, being also the Southeast Corner of the Northeast Quarter of **Section 12, Township 45 North, Range 26 West**; thence West, along the South Line of said Quarter Section to the Southwest Corner thereof and the point of beginning, containing 631,685,733 square feet or 14,502 acres, more or less.


Location Map
Warrensburg Certificate Area
Public Land Survey
MO Hwy. 50
MO Hwy. 50
State Highway 13
SW County Road BB
E. County Rd. DD
Warrensburg
E Young St
E Hale Lake Rd
N
NOT TO SCALE
T47NR26WS33
T47NR26WS34
T47NR26WS35
T47NR26WS36
T47NR25WS31
T47NR25WS32
T46NR26WS04
T46NR26WS03
T46NR26WS02
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T45NR25WS22
T45NR25WS23

Appendix E-C has been marked CONFIDENTIAL in its entirety.

VALUATION REPORT

Johnson County PWSD #3
Johnson County, Missouri
Water Distribution System

Prepared for:

Mr. Steve Kadyk, P.E.
Engineering Manager – Customer Development
Missouri American Water Company
727 Craig Road
St. Louis, Missouri 63141

Prepared by:

Jim Hendren
Mid America Land Services, Inc.
802 N. Providence Road
Columbia, Missouri 65203

Edward W. Dinan, CRE, MAI
Dinan Real Estate Advisors, Inc.
2023 South Big Bend Boulevard
St. Louis, Missouri 63117

Elizabeth Goodman Schneider, ASA
Goodman Appraisal Consultants, LLC
6260 S. Lake Drive, #718`
Cudahy, WI 53110

MID AMERICA LAND SERVICES, INC.	DINAN REAL ESTATE ADVISORS, INC.	GOODMAN APPRAISAL CONSULTANTS, LLC
802 North Providence Road	2023 South Big Bend Boulevard	6260 South Lake Drive, #718
Columbia, Missouri 65203	St. Louis, Missouri 63117	Cudahy, Wisconsin 53110

August 29, 2024

Mr. Steve Kadyk, P.E.
Engineering Manager -Customer Development
Missouri American Water Company
727 Craig Road
St. Louis, Missouri 63141

Re: ***Valuation Report***
Johnson County PWSD #3
Johnson County, Missouri Water
Distribution System Appraisal

Dear Mr. Kadyk:

In accordance with your request, we have made a physical inspection of the distribution system and real estate that comprise the Johnson County PWSD #3 water systems assets.[1] The water distribution system (referred to herein as "the subject property") is owned by the Johnson County Public Water Supply District in Johnson County, Missouri. The customer count for the subject property system includes 133 water accounts.

The purpose of the appraisal report was to arrive at opinions of market value of the subject water distribution system as a private system (the intended use) as of the date of our inspection of the subject property system.

This Appraisal Report is prepared in conformance with Standards Rule 2-2(a) of the 2024-2025 Edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP). In addition to being prepared in compliance with USPAP, this appraisal has been prepared in accordance with the *Code of Ethics* and *Standards of Professional Practice* of the Appraisal Institute.

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[1] *Throughout the attached appraisal report, any reference to the appraisers' "inspection", "subject property inspection", "inspection of the subject property", "inspection of the subject water system", etc., refers to the appraisers' customary task of viewing the subject property for purposes of observing the condition, layout, design, and utility of the real estate (land and building), as is typical in the appraisal profession and in the framework of completing the appraisal process. The reference to the term "inspection" in the context of the appraisers' work should not be interpreted to suggest the appraisers have any expertise and/or qualifications in the assessment of the condition and functionality of any mechanical and non-mechanical components of the subject property water system. The appraisers refer the client and intended users of the attached appraisal report to the engineer's report for an assessment of the water system's infrastructure components. The three professional real estate appraisers co-signing the attached appraisal report are not qualified to independently detect and assess the condition and functionality of the water system's infrastructure components. However, the three professional real estate appraisers co-signing the attached appraisal report assume that the water system's components (including the pumps and all related facilities) are in proper working order and have been maintained adequately to meet all pertinent codes and regulatory requirements.*

In completing our analysis of the subject property water system, we relied on a report prepared by Hartman Consultants, LLC, dated August 23, 2024 (“the Hartman report”) with the effective date of March 8, 2024. The Hartman report is attached to this appraisal report. Based upon our analysis of the subject property system and taking into consideration the independent report prepared by Hartman Consultants, LLC, our opinions of the market value of the Johnson County PWSD #3 system, is:

$600,000

SIX HUNDRED THOUSAND DOLLARS

This appraisal report has been prepared subject to the Extraordinary Assumptions found on Pages 13-15. The assumptions address several significant issues that impact the analysis and conclusions presented in the attached report, including:

Each of the three appraisers co-signing this appraisal report (Mr. Dinan, Mr. Hendren, and Ms. Goodman Schneider) participated in the assignment by collecting and analyzing relevant data and forming the opinions and final conclusions.

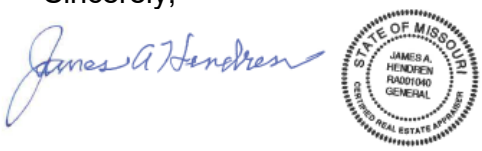
In addition, Mr. Jordan Leiner and Ms. Elizabeth S. West, MAI, CRE of Dinan Real Estate Advisors, Inc. assisted in the collection of data for this assignment. While each of the appraisers performed different tasks and were responsible for different parts of this valuation assignment, the appraisers consulted throughout the assignment with each other, the client, and representatives from Johnson County PWSD #3.

We certify that we personally have no undisclosed interest, either present or contemplated, in the real estate described herein as the subject properties; furthermore, neither the procurement of this appraisal assignment nor the negotiated compensation was contingent upon predetermined conclusions of value, value estimates which advocate the client's position, or the occurrence of any subsequent event.

Mr. Kadyk, P.E.
Missouri American Water Company
August 29, 2024
Page 3

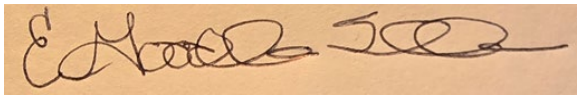
On behalf of Mid America Land Services, Inc., Goodman Appraisal Consultants, LLC, and Dinan Real Estate Advisors, Inc., we appreciate the opportunity to prepare this appraisal report for the Missouri American Water Company. Please feel free to contact the undersigned should you have any questions regarding the assignment.

Sincerely,



Jim Hendren
Mid America Land Services, Inc.
State Certified General Real Estate Appraiser #2016044083
(MO; Expires 06/30/24)

Edward W. Dinan, CRE, MAI
Dinan Real Estate Advisors, Inc.
State Certified General Real Estate Appraiser RA001300 (MO; Expires 06/30/24)



Elizabeth Goodman Schneider, ASA
Goodman Appraisal Consultants, LLC
Florida State Certified General Real Estate Appraiser No. RZ4093 exp 11/30/2024
Illinois Certified General Real Estate Appraiser No. 553-001973 exp 9/30/2025.
Iowa Certified General Real Estate Appraiser No. CG04095 exp. 6/30/2026
Louisiana Certified General Appraiser No. APR.04505-CGA exp 12/31/2025
Missouri State Certified General Real Estate Appraiser No. 2016042105 exp 6/30/2026
Wisconsin Certified General Appraiser No. 1586-010 exp 12/14/2025

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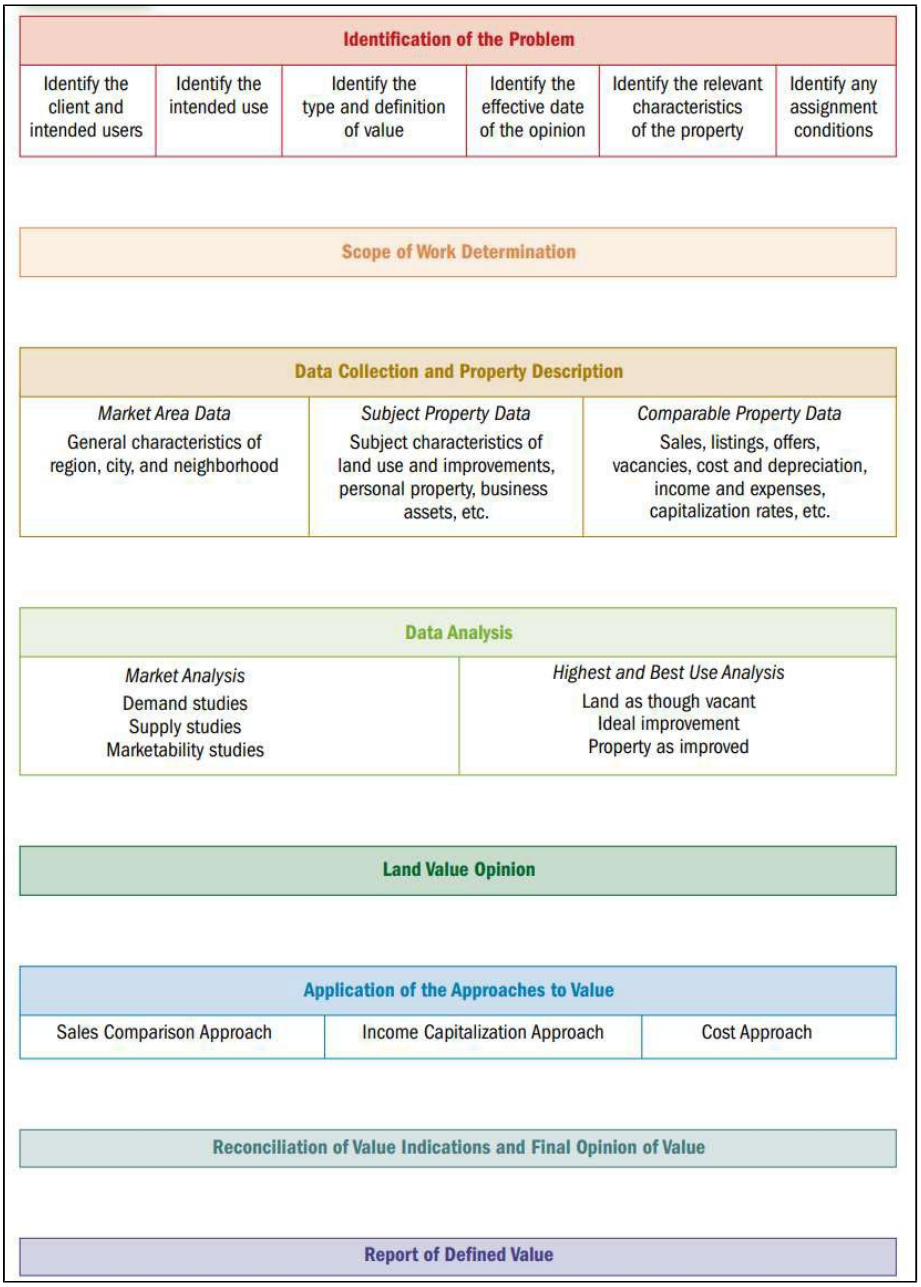
ADDENDA

Summary of Salient Facts

Property Type:	Water distribution system
Location:	Johnson County, Missouri
Facilities:	The subject property includes the facilities that comprise the delivery of public water. The water distribution system serves 133 customers. Please refer to the attached report prepared by Hartman Consultants, LLC for a list of the infrastructure, system assets, and facilities.
Date of Inspection:	
Jim Hendren:	March 8, 2024
Elizabeth Goodman Schneider:	March 8, 2024
Elizabeth S. West, MAI, CRE	
And Jordan Leiner	March 8, 2024
Date of Value:	March 8, 2024
Date of Report:	August 29, 2024
Type of Value:	Market Value
Property Rights:	Fee Simple Estate
Value Conclusion:	
Market Value of Water Distribution System:	$600,000 Six Hundred Thousand Dollars

The Appraisal Process

The client requested opinions of market value for the water distribution assets of the Johnson County PWSD #3, located in Johnson County, Missouri. In arriving at an opinion of value for the subject property system, we followed an orderly set of steps that has led us to the final conclusion of market value. This procedure is known as the "Appraisal Process" and is summarized in the exhibit below.

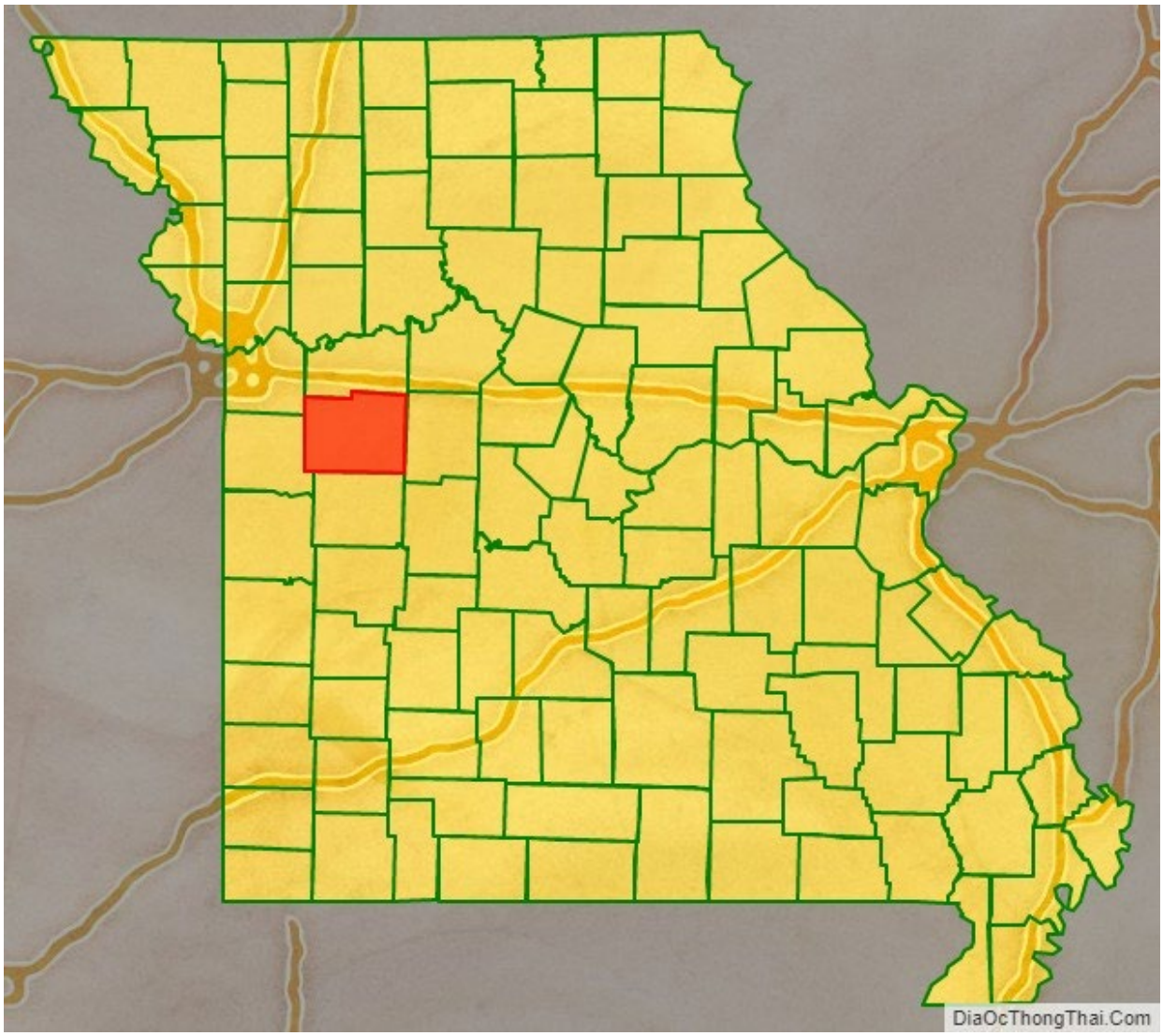


Source: The Appraisal of Real Estate, 15th Ed.,
Published by the *Appraisal Institute*, 2020; P. 31.

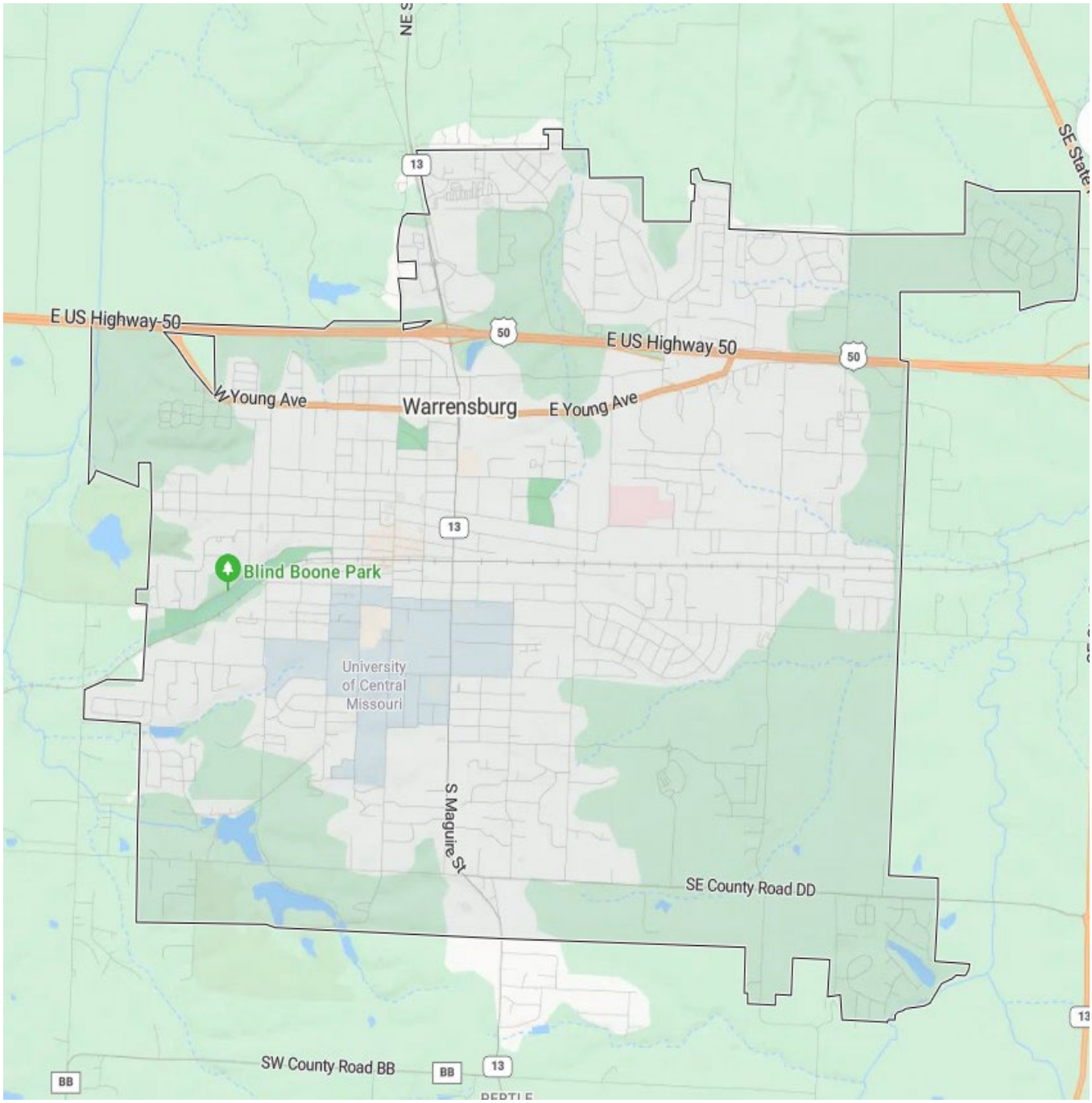
Identification of the Subject Property

The subject property consists of the assets that comprise the Johnson County Public Water Service District #3 water distribution system located in Johnson County, Missouri. There are 133 customers for the water distribution system. The subject property assets include infrastructure and facilities associated with the system and include permanent easements (see Extraordinary Assumptions, Pages 13-15 of this report).

The City of Warrensburg is the county seat of Johnson County and is located in the northcentral area of the county. Additional economic and demographic data pertaining to Johnson County has been included in the Addenda of the report.

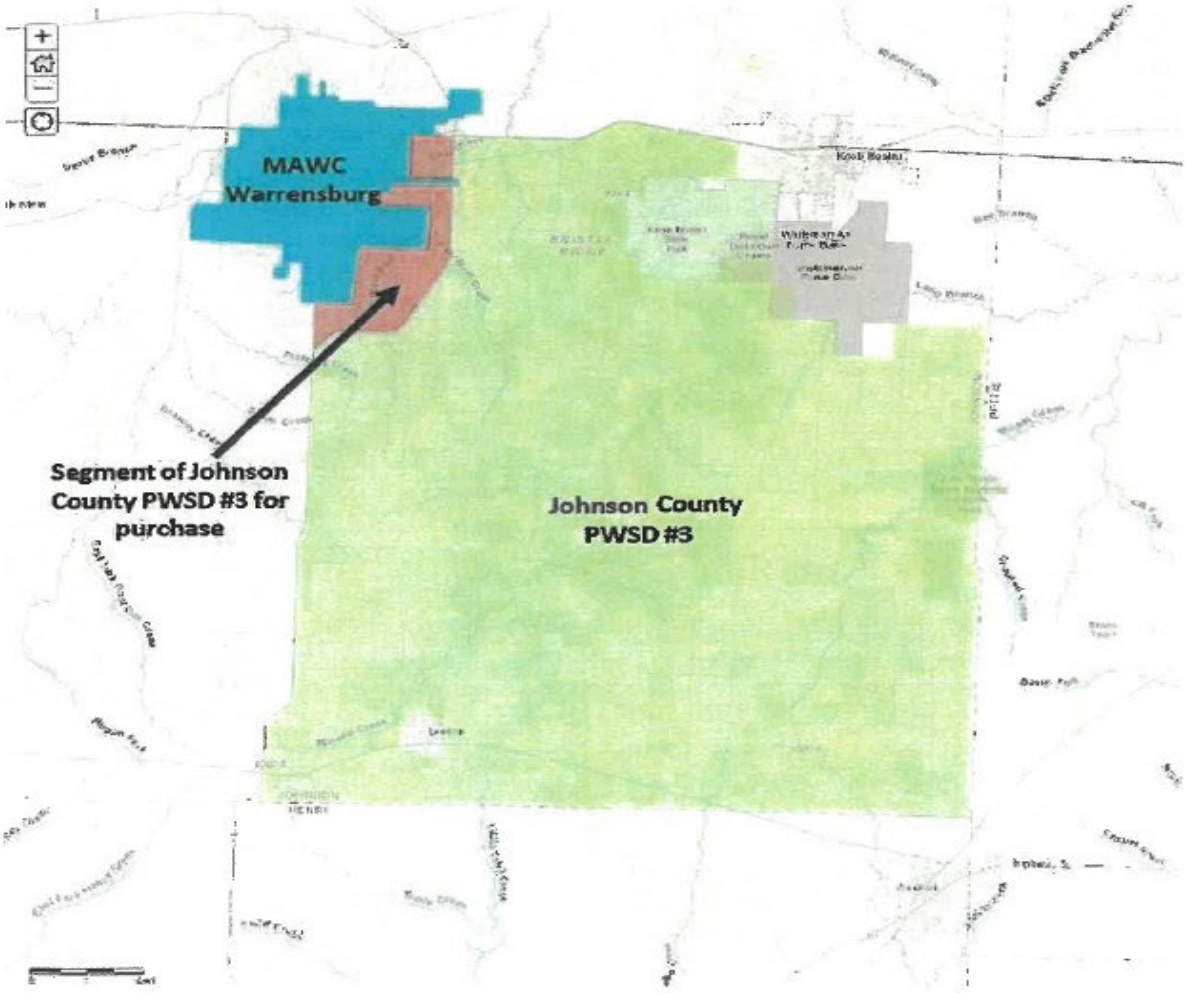


Identification of the Subject Property
(Continued)



Identification of the Subject Property
(Continued)

EXHIBIT A



Type of Property Being Appraised

The Uniform Standards of Professional Appraisal Practice (USPAP) defines real estate and personal property as follows:

> **REAL ESTATE**: an identified parcel or tract of land, including improvements, if any.
>
> **PERSONAL PROPERTY**: any tangible or intangible article that is subject to ownership and not classified as real property, including identifiable objects that are considered by the general public as being "personal", such as furnishings, artwork, antiques, gems and jewelry, collectibles, machinery and equipment; and, intangible property that is created and stored electronically such as plans for installation art, choreography, emails, or designs for digital tokens.

The following excerpt is from *The Appraisal Foundation*:

> *The term "personal property" refers to items that can "travel with the person," meaning they are portable. This excludes land, buildings, and other permanent structures. It includes everything from paintings and doll and stamp collections to tools and injection molding machines, to boats and diamond rings, books and manuscripts, coins, toys, and even livestock…the list is nearly endless.*

The subject property assets are the type that are sometimes referred to as real estate (as they are attached to the land) and sometimes referred to as personal property (as they are interconnected and part of a utility system's total assets). The primary significance of the distinction is the applicable professional standards (USPAP). For real estate, the USPAP rules that apply for an assignment are Standards Rules 1 and 2. For personal property, the USPAP rules that apply for an assignment are Standards Rules 7 and 8.

While valuation experts and users of valuation services (clients and intended users) might have differing opinions, the most common classification by those professionals who specialize in the valuation of utility assets is personal property, which is also consistent with the valuation guidelines established by the American Society of Appraisers and the methodology standard established by USPAP (which is guided by the conduct of peers in the profession). However, the valuation of any real property rights that are part of the subject property – including parcels of land in fee and/or permanent easement rights – is subject to Standard Rule 1 and 2 regardless of the classification of the infrastructure assets as real estate or personal property. For this assignment, the subject property infrastructure assets are concluded to be personal property.

" The Appraisal Institute defines going concern value as *"the value created by a proven property operation; considered a separate entity to be valued with an established business."*

Purpose of the Assignment and Definition of Market Value

The purpose of this appraisal assignment is to arrive at an opinion of market value for the subject property water distribution system.

Market value is defined as:

The most probable price, as of a specified date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue duress.[2]

Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:

1. Buyer and seller are typically motivated;

2. Both parties are well informed or well advised, and acting in what they consider their best interest;

3. A reasonable time is allowed for exposure in the open market;

4. Payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and

5. The price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

Relevant Assignment Dates

Date of physical inspection of the property:	March 8, 2024
Effective date of value:	March 8, 2024
Date of report:	August 29, 2024

[2] *The Appraisal of Real Estate,* 15th Edition, (Chicago, Illinois: Appraisal Institute, 2020), p. 48.

Property Rights Appraised

The property rights appraised for the subject property is includes the utility easements that were acquired across private property that grants the Johnson County PWSD #3 access to land for the installation, repair and maintenance of utility infrastructure and access to the easement. Utility easements are legally binding and transfer to subsequent property owners. In addition, the value of the infrastructure is owned in fee simple which is defined as:

> *Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power, and escheat.*[3]

A fee simple estate implies absolute ownership unencumbered by any other interest or estate.

As noted above, there are no land parcels held in fee simple ownership by Johnson County PWSD #3. The distribution system is located within permanent utility easements. In addition, a number of the easements are reportedly non-inclusive and allow water use only.

Legal Descriptions

No legal descriptions have been provided for this assignment. The real property included in this valuation assignment includes the permanent easement rights to be conveyed to Missouri American Water for all mains for the subject property water system. Please refer to the Extraordinary Assumptions section of this report for an explanation regarding the appraisal assignment assumptions relative to the presumed permanent easements. Based on a review of the Johnson County GIS data, there are no properties, land or land and improvements, that are identified as being owned in fee simple.

[3] *The Appraisal of Real Estate,* 15th Edition, (Chicago, Illinois: Appraisal Institute, 2020), p. 60.

Exposure Time and Marketing Time

According to The Dictionary of Real Estate Appraisal, Seventh Edition, (2022, Pages 67-68), Exposure time is defined as follows:

"1. The time a property remains on the market.
2. An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation
of a sale at market value on the effective date of the appraisal. (USPAP, 2020-2021 ed.)"

According to The Dictionary of Real Estate Appraisal, Seventh Edition, (2022, Page 116), Marketing time is defined as follows:

"An opinion of the amount of time to sell a property interest at the concluded market value or at a benchmark price during the period immediately after the effective date of an appraisal. Marketing time differs from exposure time, which precedes the effective date of an appraisal. (Advisory Opinion 7 and Advisory Opinion 35 of the Appraisal Standards Board of The Appraisal Foundation address the determination of reasonable exposure and Marketing Time.)"

The estimated marketing time of a property implicitly assumes the property would be marketed in a manner typical in the market for that particular type of property, including utilization of the normal channels of exposure; also, implicit is the assumption that the asking price would be reasonably close to the market value of the property; and, the sale terms would conform to the market value definition included herein. The value conclusion presumes a sale as of the date of the appraisal. The reasonable exposure period is a function of price, time and use. It is not an isolated opinion of time alone. Exposure time is different for various types of properties and under various market conditions. It is a prospective opinion based on an analysis of past events, assuming a competitive and open market. It assumes not only adequate, sufficient and reasonable time, but also adequate, sufficient and reasonable marketing effort, and a reasonable asking price.

Based upon the conditions which prevailed in the local market effective March 8, 2024, we have concluded a reasonable market time for the subject property system is 12 to 24 months and the exposure time for the subject property is also estimated to be from 12 to 24 months.

Intended Use and Intended User of the Appraisal

The intended use of this appraisal report is to assist the client (Missouri American Water Company) and the Johnson County PWSD #3 with the acquisition of the PWSD #3 water system assets by the client. The intended users of this appraisal report include the client (for acquisition purposes), the Johnson County PSWD #3 (for asset disposition), and any regulatory agency with jurisdiction over the transfer of the water distribution system from the Johnson County PSWD #3 to Missouri American Water Company.

History of the Subject Property

Pursuant to Standards Rule 1-5 of USPAP, we are required to consider and analyze any current Agreement of Sale, option, or listing of the property being appraised. We are also required to consider and analyze any sales of the subject property that have occurred within the last three years.

To the best of our knowledge and based upon discussions with the client and a representative of the Johnson County PWSD #3, MAWC offered $300,000 on June 20, 2023 for the water system. PWSD #3 made a counteroffer in the amount of $606,788 on July 6, 2023. MAWC did not agree with the counteroffer. The subject property has not been the subject of any sales during the last three years. The subject property is being appraised for acquisition purposes by the MAWC and for disposition purposes by the Johson County PWSD #3.

Scope of Work

The subject property systems are reportedly owned and operated by the Johnson County PWSD #3. In addition to receiving and reviewing numerous pertinent documents from the client pertaining to the subject property water system, we inspected the subject property, met with a representative from the Johnson County PWSD, and collected relevant ,market data for this assignment.

Proper and accepted appraisal methodology in the subject matter is (1) governed by Missouri legislation[4], and (2) guided by the binding requirements of the Uniform Standards of Professional Appraisal Practice (USPAP).[5]

Explicit in the SCOPE OF WORK RULE section of the current (2024-2025) edition of USPAP is the requirement of the real estate appraiser to include research and analysis necessary to develop credible assignment results. The standard for acceptability of Scope of Work is, in part, what an appraiser's peers' actions would be in performing the same or similar assignment.[6]

In accordance with USPAP, consideration was given to the market standards in the appraisal profession established in other market areas by qualified appraisers performing similar assignments. In our opinion, the applicable professional standards of valuation of utility systems generally in Missouri -- and specifically in the case of the valuation of the Johnson County PWSD #3 -- are similar to those established and utilized in other market areas, including Illinois.

Illinois has similar legislation in place regulating the procedures for acquisitions of public utility systems by investor-owned companies. Although not identical, the procedures and framework for valuation are considered to be very similar.[7]

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[4] The Missouri legislation mandates the inclusion and participation of three independent professional real estate appraisers, all of which shall be licensed in the State of Missouri. Missouri Revised Statutes, Chapter 393, Section 393.320 (August 28, 2016).

[5] USPAP is developed, interpreted, and amended by The Appraisal Standards Board (ASB) of The Appraisal Foundation. State and federal regulatory authorities enforce the content of the current or applicable edition of USPAP. All state licensed/certified professional real estate appraisers must perform services in compliance with USPAP.

[6] USPAP, 2024-2025 Edition, Page 14.

[7] On August 9, 2013, P.A. 98-0213, codified as 220 ILCS 5/9-210.5, went into effect in Illinois. That Section of the Public Utilities Act ("Act") provides an alternate procedure that a large public utility may choose in establishing the ratemaking rate base of a water or sewer utility that the large public utility is acquiring. Among other things, Section 9-210.5 requires that if the utility company elects the procedures of that Section of the Act, three appraisals shall be performed, the appraisers must be selected by the Illinois Commerce Commission, and each appraiser must be State certified general real estate appraiser under the Illinois Real Estate Licensing Act of 2002.

Scope of Work
(Continued)

In Missouri, there have been several conveyances of utility systems from the public sector to investor-owned companies that were subject to the legislation governing such transactions.

The report will be based only on visual observations of system assets (pipelines will not be uncovered), review of system records, and employee interviews. Johnson County PWSD #3 provided system information including, but not limited to maps, engineering studies, maintenance reports, capital improvements, and customer information. Water quality evaluations will not be part of this assessment other than identifying any regulatory notices that have been provided by the current systems owner. The physical items to be appraised include the easements and distribution system for water.

Work necessary to complete this report shall include, but not be limited to:

Information Collection and Review
a. Review systems maps and provided as-built drawings
b. Review historical data about pipe performance and failure
c. Conduct interviews with Johnson County PWSD #3 employees
d. Conduct an inspection of the systems that are above ground

Condition Assessment (Evaluate existing distribution systems based on factors:)
a. Physical factors – Pipe material, age, rating, size; Type of joint, Restraint, Coatings, etc.
b. Operational factors – Water pressure, leakage, backflow potential, etc. (Note: Water Quality not included)
c. O&M Records

Engineering Condition Report
a. Overview of the water distribution system
b. Estimate the residual life of the existing system
c. Capital investment history and current needs

Develop Appraisal Report and Provide a Value Opinion
a. Appraisal scope to include a market derived value of the assets
b. Utilize Engineering Report to evaluate the cost approach analysis
c. Provide an appraisal report which conforms to USPAP standards

The standards for valuation in Missouri have been established by the market and are consistently followed by the professional appraisers who engage in valuation assignments of public utility systems pursuant to the applicable governing legislation. The industry-accepted framework for the valuation of utility system assets includes the application of the Cost Approach and the application of the Sales Comparison Approach, and the omission of the Income Capitalization Approach.

Scope of Work
(Continued)

The Income Capitalization Approach is not relied on in the typical appraisals of the utility systems due to the generally limited information available from the market necessary for the credible and reliable application of the Income Capitalization Approach. For instance, a proper application of the Income Capitalization Approach would require substantial detail from competing/alternate utility systems in the market, including, but not limited to, income levels from all sources (historic and future expectations), operating expense details, and market-derived capitalization rates used to convert projected net operating income into present value.

One of the factors impacting the challenges of obtaining necessary income and expense data from other systems pertains to the fact that most of the municipal-owned utility systems include public water and sanitary sewer, and often the management and budget operations for the two systems are not separated. Therefore, we have not applied the Income Capitalization Approach in the valuation of the subject property system. The omission of the Income Capitalization Approach does not result in a misleading analysis or conclusion of value. The omission of the Income Capitalization Approach is in compliance with USPAP and is consistent with the actions of peers for similar assignments.

We applied the cost approach in arriving at an opinion of value for the subject property system. The cost approach included an analysis and valuation of the permanent easements necessary for the water distribution system, and the infrastructure and components that comprise the Johnson County PWSD #3 water system.

We then reviewed limited market data pertaining to sales of other utility systems in order to apply the Sales Comparison Approach. In our selection of market data, we included transactional data pertaining to utility systems located in Missouri and Illinois. The market data available for utility systems acquired in Missouri is very limited, with Missouri American Water Company being the primary entity acquiring systems. Therefore, it is reasonable and acceptable to expand the search for comparable market data to areas outside the borders of Missouri. We selected the Illinois market due to the following factors: proximity, availability of relatively current market data, similarity of legislative rules governing the valuation process, and the existence of a competitive market environment with multiple buyers influencing the balance of supply and demand.

For purposes of this appraisal report, we are relying, in part, on a report prepared by Hartman Consultants, LLC and dated August 23, 2024, in which Hartman Consultants, LLC arrives at an opinion of the depreciation cost new of the infrastructure components of the Johnson County PWSD #3 water system. We reviewed the Hartman Consultants, LLC report, consulted with its author, and reviewed the data Hartman relied on in forming their opinions. Furthermore, we reviewed other engineering data and reports pertaining to the subject system as well as several other water systems. Based upon our reviews and independent research, we find the report prepared by Hartman Consultants, LLC to be thorough, prepared in compliance with industry standards, and credible. Therefore, we

Scope of Work
(Continued)

have relied on the opinions rendered in the Hartman Consultants, LLC report. Our reliance on the Hartman report in consistent with the Appraisal Institute's Guide Note 4 which addresses the conditions for an appropriate reliance by appraisers of reports prepared by others.[8]

The Hartman Consultants, LLC report does not give any value consideration to the permanent easement rights being acquired by Missouri American Water Company as part of its acquisition of the Johnson County PWSD #3 water system. Therefore, we arrived at an independent opinion of the market value of the easements being acquired as part of the purchase of the subject property water system by Missouri American Water Company.

Finally, we prepared this appraisal report in compliance with the applicable standards as set forth in the 2024-2025 Edition of USPAP.

[8] The Appraisal Institute has adopted Guide Notes to the Institute's Standards of Professional Practice ("SPP"). The Guide Notes are not part of the SSP but provide guidance on how the standards requirements may apply to specific situations.

Extraordinary Assumptions

The 2024-2025 Edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP) defines an extraordinary assumption as follows:

> *An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions and conclusions.*

This appraisal report is prepared subject to the following Extraordinary Assumptions.

INFORMATION PROVIDED BY THE CLIENT AND THE JOHNSON COUNTY PWSD #3

We have been provided information for this assignment by the client (Missouri American Water Company) and from the Johnson County PWSD #3. The information is assumed to be correct, accurate, and complete. This includes, but is not limited to, all information pertaining to the subject property systems (financial, physical, legal) as well as all information pertaining to other systems acquired by American Water.

We reserve the right to revise all opinions and conclusions presented herein upon receiving or becoming aware of any information that is inconsistent with and/or contradicts the information provided by the client and the Johnson County PWSD #3. The client and intended users are advised that if this assumption is found to be false, it could impact the analysis and opinions.

WATER MAINS PRESUMED TO BE LOCATED IN PUBLIC RIGHTS OF WAY

The valuation of the subject property water distribution system includes the water mains that are located throughout the community and that connect the facilities. According to Johnson County PWSD #3 officials, the water mains are located in public right-of-way.

We reserve the right to revise all opinions and conclusions presented herein upon receiving or becoming aware of any information that is inconsistent with and/or contradicts the assumption outlined above. The client and intended users are advised that if this assumption is found to be false, it could impact the analysis and opinions.

CUSTOMER COUNTS

According to the client, the subject property water distribution system serves 133 customers. This appraisal is based upon the assumption that the customer count provided by the client is accurate. The client and intended users are advised that if this assumption is found to be false, it could impact the analysis and opinions.

Extraordinary Assumptions
(Continued)

IDENTIFICATION OF THE PARCELS OWNED IN FEE

There are no land parcels that are identified as being owned in fee. This information was obtained from Johnson County as well as information obtained from the public sources and is assumed to be correct.

We reserve the right to revise all opinions and conclusions presented herein upon receiving or becoming aware of any information that is inconsistent with and/or contradicts the land sizes/characteristics as reported herein for the land located within the easements held by the Johnson County PWSD #3. The client and intended users are advised that if this assumption is found to be false, it could impact the analysis and opinions.

THE HARTMAN CONSUTLTANTS, LLC ENGINEERING REPORT

The Hartman Consultants, LLC engineering report, referenced in the Scope of Work section of this report is assumed to be accurate, complete, and prepared in compliance with applicable industry standards.

We reserve the right to revise all opinions and conclusions presented herein upon receiving or becoming aware of any information that is inconsistent with and/or contradicts the information, analysis, opinions, and conclusions presented in the Hartman report. We also reserve the right to revise all opinions and conclusions presented herein upon receiving more detailed and complete information regarding the age and condition of the existing facilities. The client and intended users are advised that if this assumption is found to be false, it could impact the analysis and opinions.

Extraordinary Assumptions
(Continued)

THE TERM "INSPECTION"

Throughout this appraisal report, any reference to the appraisers' "inspection", "subject property inspection", "inspection of the subject property", "inspection of the subject water system", etc., refers to the appraisers' customary task of viewing the subject property for purposes of observing the condition, layout, design, and utility of the real estate (land and building), as is typical in the appraisal professional and in the framework of completing the appraisal process.

The reference to the term "inspection" in the context of the appraisers' work should not be interpreted to suggest the appraisers have any expertise and/or qualifications in the assessment of the condition and functionality of any mechanical and non-mechanical components of the subject water distribution system.

The appraisers refer the client and intended/authorized users of this appraisal report to the Hartman Consultants, LLC report for an assessment of the water system's infrastructure components. The three professional real estate appraisers co-signing this appraisal report are not qualified to independently detect and assess the condition and functionality of the water system's infrastructure components. However, the three professional real estate appraisers co-signing this appraisal report assume that the water system's components are in proper working order and have been maintained adequately to meet all pertinent codes and regulatory requirements. The client and intended users are advised that if this assumption is found to be false, it could impact the analysis and opinions.

Hypothetical Conditions

The 2024-2025 Edition of the *Uniform Standards of Professional Appraisal Practice* (USPAP) defines a hypothetical condition as follows:

> *A condition directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis.*

This appraisal assignment did not include any hypothetical conditions.

Regional Overview

Johnson County is located in the western section of the State of Missouri. It is bordered to the north by Lafayette County, to the east by Pettis County, to the east by Randolph County, to the south by Henry County, and to the west by Cass County.

According to the 2020 U.S. Census Bureau, the county has a total area of 833 square miles, of which 829 square miles is comprised of land, with the remaining 4 square miles being water. In 2020, the total population of Johnson County was 48,258 with a density of 58 people for every square mile. There were 18,886 housing units. Cities, towns, and unincorporated communities within Johnon County include Warrensburg, Holden, Knob Noster, Centerview, Leeton, Kingsville, and Chilihowee. Knob Noster is located adjacent to Whiteman Air Force Base and Knob Noster State Park. Warrensburg is home to the University of Central Missouri and is the county seat for Johnson County.

Subject Neighborhood Description

This subject property is located along the outskirts of Knob Noster, Missouri. Knob Noster is located along US Route 50 approximately nine miles east of Warrensburg. Knob Noster State is located to the southwest along Missouri Route 23 and Whiteman Air Force Base is located directly south about one mile. The community was platted in 1856 by William A. Wortham and incorporated by act of legislature December 14, 1859. The town name relates to the prominent mound or knob (or knobs) that stand isolated on the prairie near the town. The second part of the name is said to have been suggested by a schoolteacher, but its origin is uncertain. The town was removed to its present site when the Pacific Railroad was built.[A post office has been in operation in Knob Noster since 1846.

According to the United States Census Bureau, the Knob Noster has a total area of 2.91 square miles, of which, 2.88 square miles are comprised of land with the remaining 0.03 square miles being water. In 2020 there were 2,782 people. The population density was 956 inhabitants per square mile. There were 1,332 housing units of which 44.5 percent were owner occupied. The average household size was 2.14. The median age in the city was 29.5 years. 21.4 percent of residents were under the age of 20; 46.6 percent were between the ages of 20 and 39; 8.1 percent were from 40 to 49; 12.7 percent were in the range of 50 to 64; and 10.9 percent were 65 years of age or older.

In summary, the subject neighborhood is an established area with direct access to U S R o u t e 50 and Missouri Roue 23. The overall outlook for the neighborhood is one of relative stability with modest growth taking place in the foreseeable future which is primarily driven by Whiteman Air Force Base and new commercial development. Demographic information pertaining to Johnson County is found in the addenda of the report.

DESCRIPTION OF THE SUBJECT PROPERTY

The service area for MAWC is located immediately east and south of Warrensburg. It encompasses Ranchero Estates subdivision, Indian Point subdivision, and a few clients within the city limits and numerous rural customers, totaling +/-133 customers in the aggregate.

The area under consideration for purchase by MAWC consists of approximately 3,811 acres that consists of a utility corridor that typically varies in width from 20 feet to 30 feet. The corridor is generally bounded on the north by Highway 50, on the east and south by Highway 13 bypass, and on the west by Business Highway 13 and the Warrensburg city limits. Ten lots with houses located near the northwest comer of the service area are located within the city limits on Derasher Road, Redmond, Riata and CR201.

The terrain is nearly level to rolling in nature with slopes of 0-14%. Elevations range from 710' to 892' ASL. Drainage is mainly in an east-westerly direction toward Bear Creek and its tributaries which mainly flow northerly.

Soils are comprised mostly moderately to well-drained upland soils and poorly to somewhat poorly drained bottomland soils. The upland soils appear to be adequate for construction of a dwelling, commercial and industrial projects.

FEMA Panels 29101C0405E, 29101C0239E, 29101C0250E and 29101C0425E, effective July 4, 2011, indicates +/-3,236 acres outside the 500-year floodplain and +/-575 acres located in the 100-year floodplain.

Access to the area is good via Highway 50, Highway 13 bypass, Business 13 on the exterior boundaries and numerous county roads/streets with traverse the interior. The 2023 MoDOT traffic volume map indicates 9,576 vehicles per day pass the area on Highway 50. In addition, 2,701 vehicles per day use Highway 13 bypass and 2,061 vehicles use Business 13.

Utilities include public water, electricity, limited natural gas and limited sewer.

Relying on a cursory inspection, the appraiser observed no adverse encumbrances, adverse easements or environmental concerns.

According to the Warrensburg Comprehensive Plan, a two-mile fringe area around the city is being studied with cooperation from Johnson County to develop a long-range growth management plan.

Items to be studied are:

- Land uses
- Preservation of green space
- Protection of the floodplain
- Storm water management
- Erosion/sediment control
- Subdivision plat review
- Extension of municipal services including sanitary, sewer and water, and
- Public street construction and improvements

In summary, it appears the subject area is primed for future development, particularly as the city expands east and provides upgrades in infrastructure.

Based on the information provided in the Hartman Consultants, LLC report, the total lineal feet of the permanent easements are 53,353.59 lineal feet of which 1,523.62 lineal feet are in the Countryview Subdivision, 12,830 lineal feet are located in the Ranchero Estates Subdivision, 3,941.24 lineal feet are located in the Indian Point Subdivision, and 35,058.73 lineal feet are located along various rural roads. The locations are noted in the maps located within the Hartman report.

MISSOURI AMERICAN WATER
Johnson County PWSD #3 – Water System
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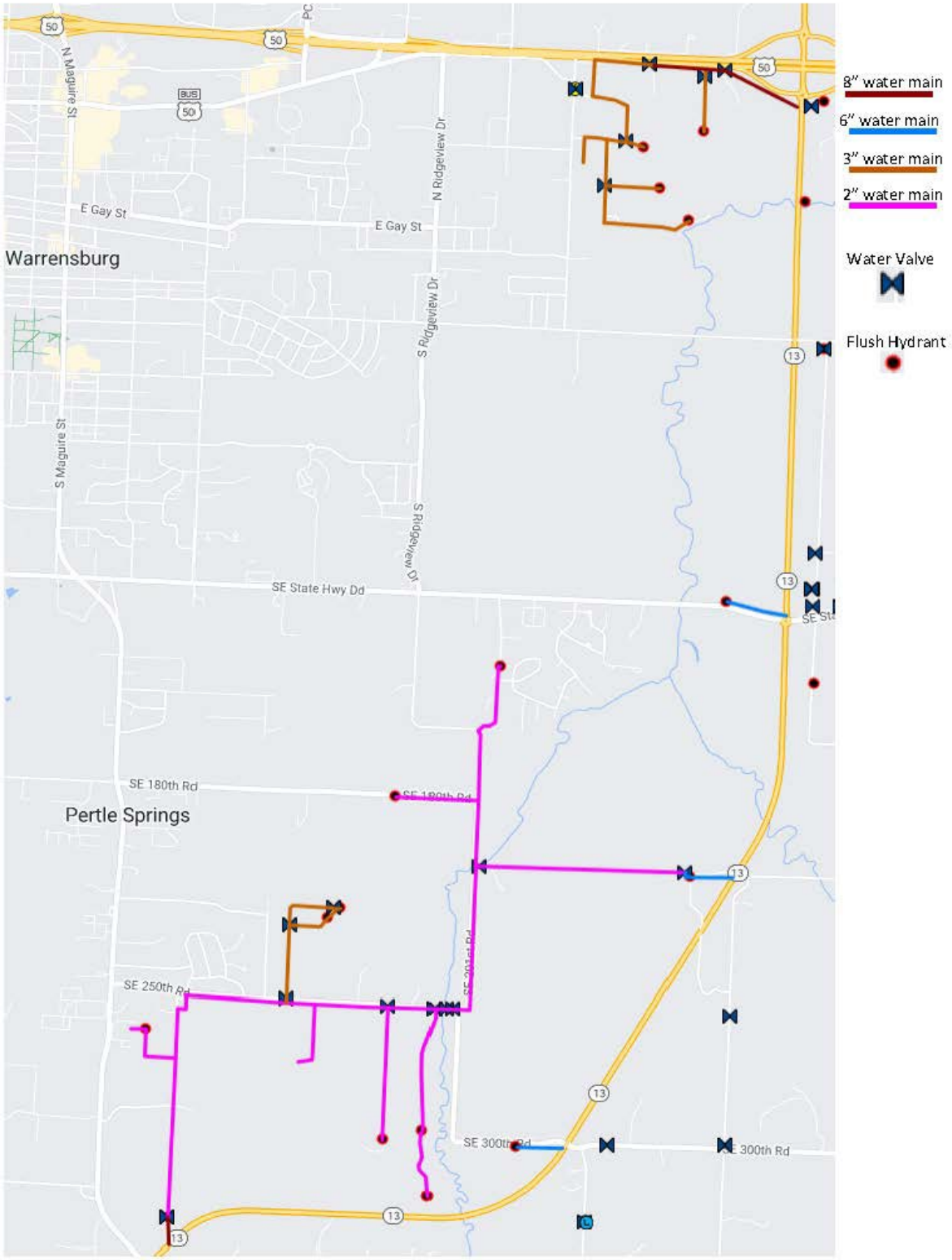
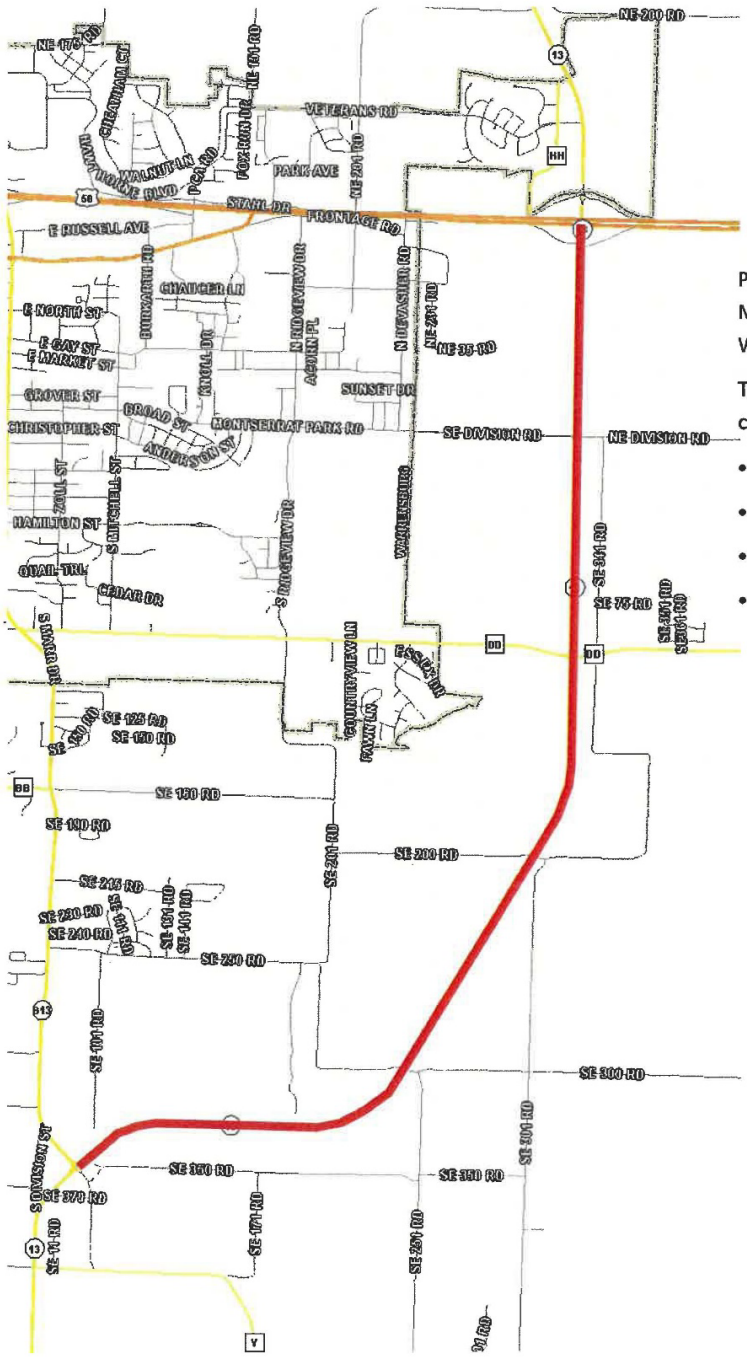
Page 21



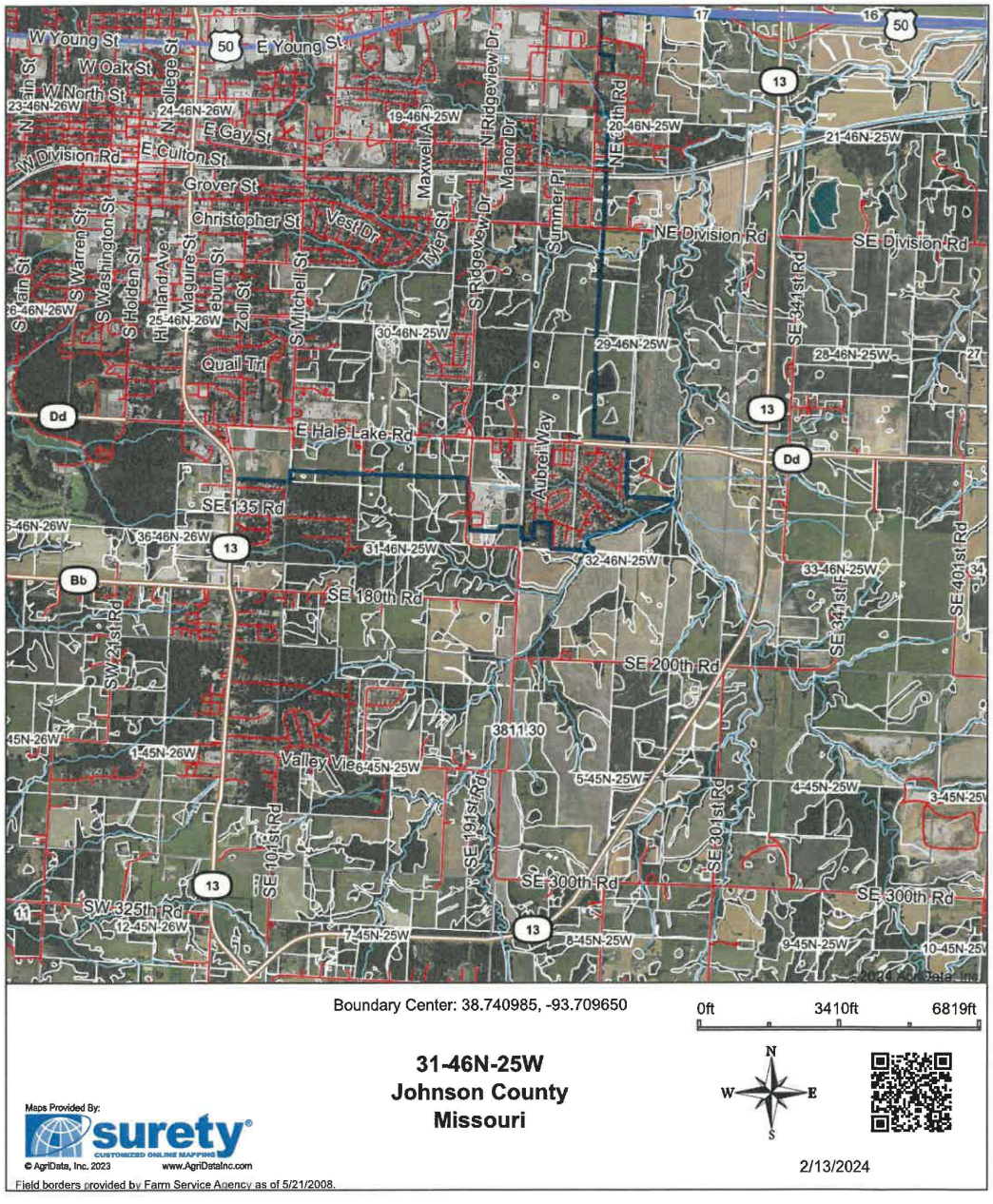


Proposed Service Area for MAWC would be everything West of 13 Hwy Bypass.

This would include 130 customers located:

- Ranchero Estates
- Indian Point
- Country View Lane
- Various rural roads

Aerial Map


W Young St
E Young St
W Oak St
W North St
E Gay St
E Culton St
W Division Rd
Grover St
Christopher St
Vest Dr
Maxwell Ct
N Ridgeview Dr
Maner Dr
Summer Pl
NE 9th Rd
NE Division Rd
SE Division Rd
SE 341st Rd
S Warren St
S Washington St
S Holden St
Highland Ave
Maguire St
S Mitchell St
Zoll St
Quail Trl
E Hale Lake Rd
Aubrey Way
SE 135 Rd
SE 180th Rd
SE 200th Rd
SE 401st Rd
SW 241st Rd
SW 325th Rd
SE 101st Rd
SE 191st Rd
SE 301st Rd
SE 300th Rd
Valley View
23-46N-26W
24-46N-26W
19-46N-25W
20-46N-25W
21-46N-25W
25-46N-26W
30-46N-25W
29-46N-25W
28-46N-25W
36-46N-26W
31-46N-25W
32-46N-25W
33-46N-25W
12-45N-26W
7-45N-25W
8-45N-25W
9-45N-25W
10-45N-25W
5-45N-25W
4-45N-25W
3-45N-25W
50
13
Dd
Bb
Boundary Center: 38.740985, -93.709650
0ft
3410ft
6819ft
31-46N-25W
Johnson County
Missouri
N
W
E
S
Maps Provided By:
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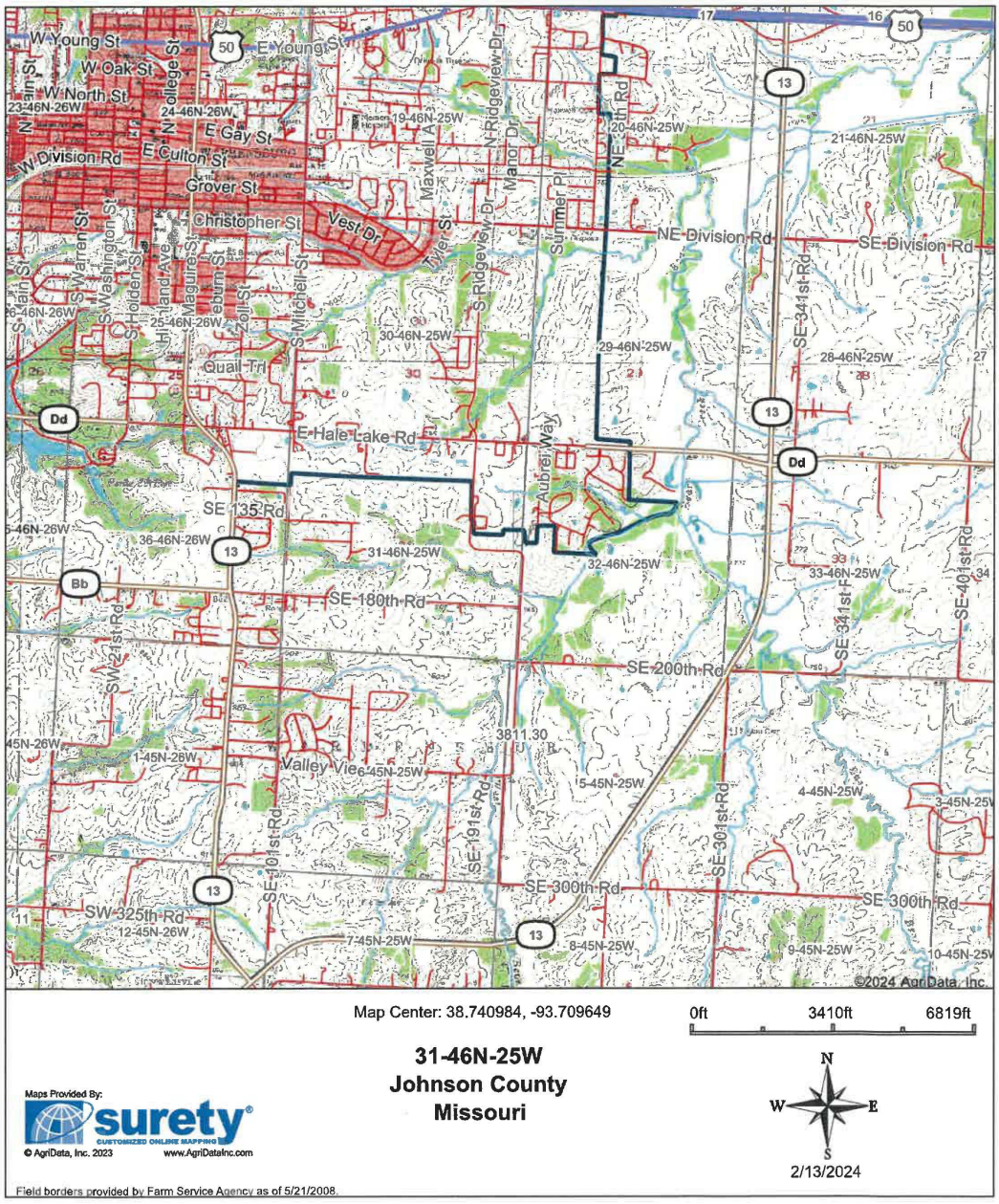
Field borders provided by Farm Service Agency as of 5/21/2008.

MISSOURI AMERICAN WATER
Johnson County PWSD #3 – Water System
August 29, 2024

Topography Map



Map Center: 38.740984, -93.709649

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31-46N-25W
Johnson County
Missouri

N W E S

2/13/2024

Maps Provided By:
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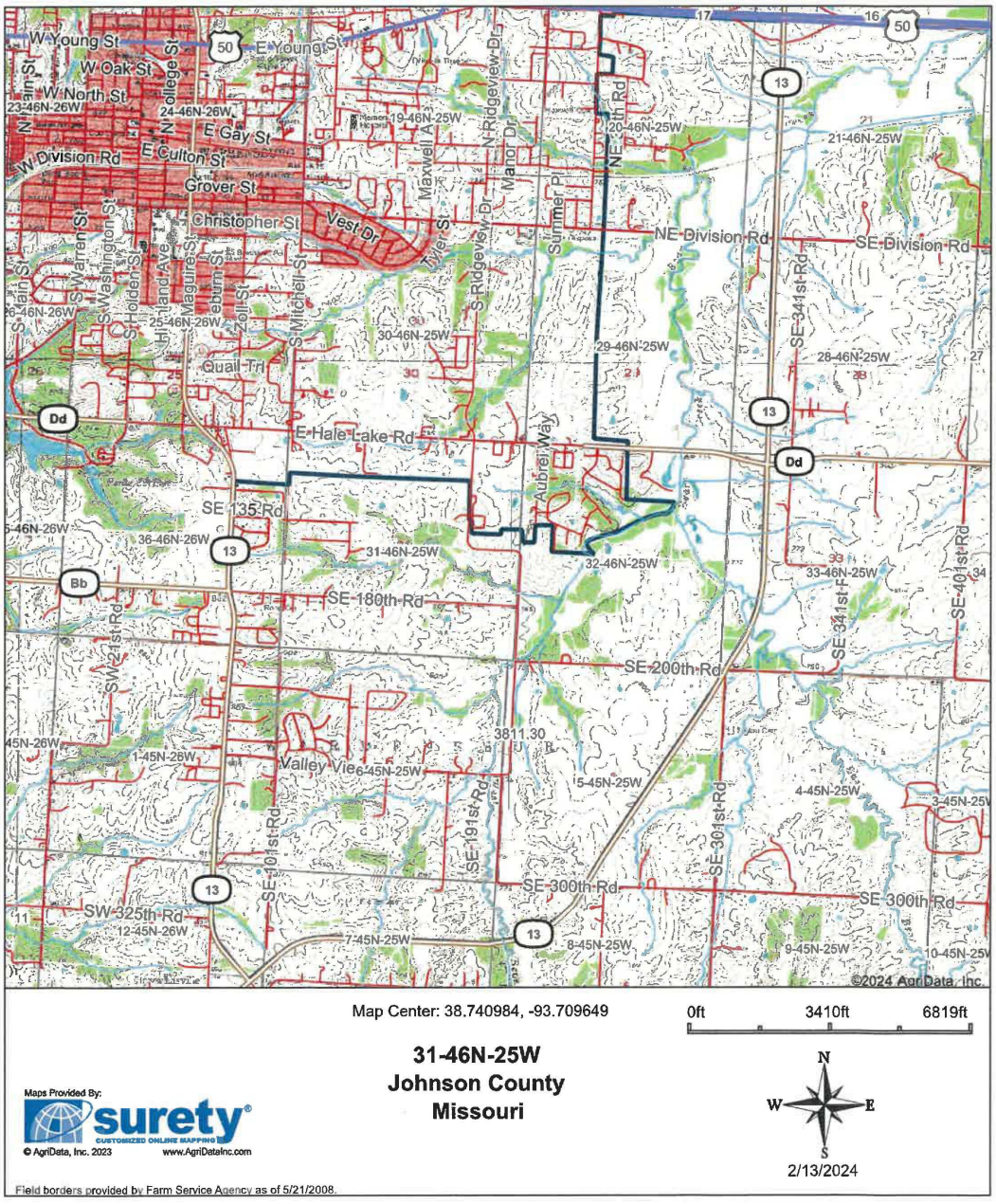
Field borders provided by Farm Service Agency as of 5/21/2008.

Topography Map



Map Center: 38.740984, -93.709649

0ft 3410ft 6819ft

31-46N-25W
Johnson County
Missouri

N W E S

2/13/2024

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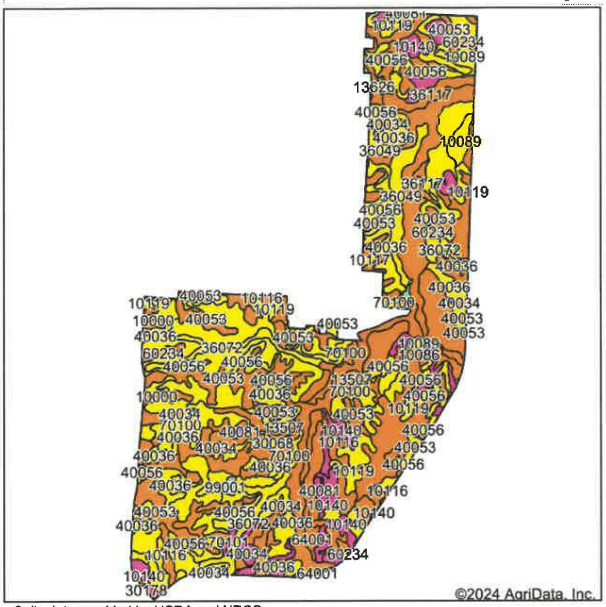
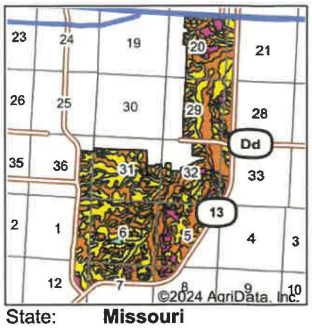
Field borders provided by Farm Service Agency as of 5/21/2008.

Soils Map





State: **Missouri**
County: **Johnson**
Location: **31-46N-25W**
Township: **Warrensburg**
Acres: **3811.3**
Date: **2/13/2024**

Maps Provided By: surety CUSTOMIZED ONLINE MAPPING © AgriData, Inc. 2023 www.AgriDataInc.com

Soils data provided by USDA and NRCS.

Area Symbol: MO101, Soil Area Version: 27

Code	Soil Description	Acres	Percent of field	Non-Irr Class Legend	Soil Drainage	Non-Irr Class *c	Corn	Corn Bu	Soybeans Bu	*n NCCPI Overall	*n NCCPI Corn	*n NCCPI Soybeans
40053	Deepwater silt loam, 2 to 5 percent slopes	472.73	12.4%		Moderately well drained	IIe				84	84	80
40036	Barco loam, 5 to 9 percent slopes	427.95	11.2%		Well drained	IIIe				62	59	49
70100	Bolivar fine sandy loam, 5 to 9 percent slopes, eroded	420.29	11.0%		Well drained	IIIe				53	53	35
40056	Deepwater silt loam, 5 to 9 percent slopes, eroded	281.80	7.4%		Moderately well drained	IIIe				77	77	71
13505	Blackoar silt loam, 0 to 2 percent slopes, occasionally flooded	266.88	7.0%		Poorly drained	IIw				77	67	76
36117	Nodaway silt loam, heavy till, 0 to 2 percent slopes, occasionally flooded	229.85	6.0%		Moderately well drained	IIw				80	80	78
10119	Sampsel silty clay loam, 5 to 9 percent slopes, severely eroded	222.09	5.8%		Somewhat poorly drained	IIIe				56	56	44
10000	Arisburg silt loam, 1 to 5 percent slopes	213.29	5.6%		Somewhat poorly drained	IIe				83	82	67
10116	Sampsel silty clay loam, 2 to 5 percent slopes	159.13	4.2%		Poorly drained	IIe				67	67	58

Soils data provided by USDA and NRCS.

Maps Provided By:
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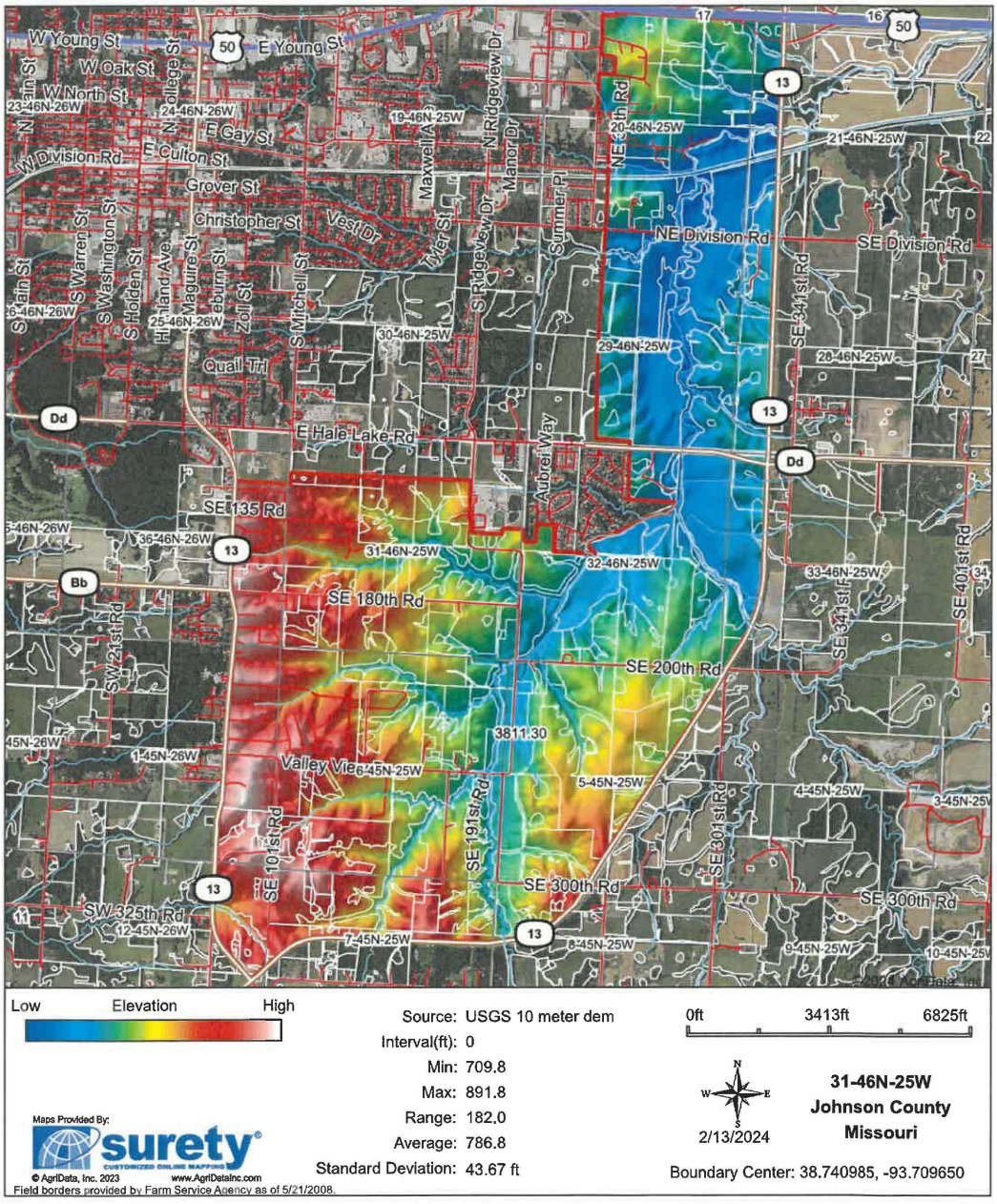
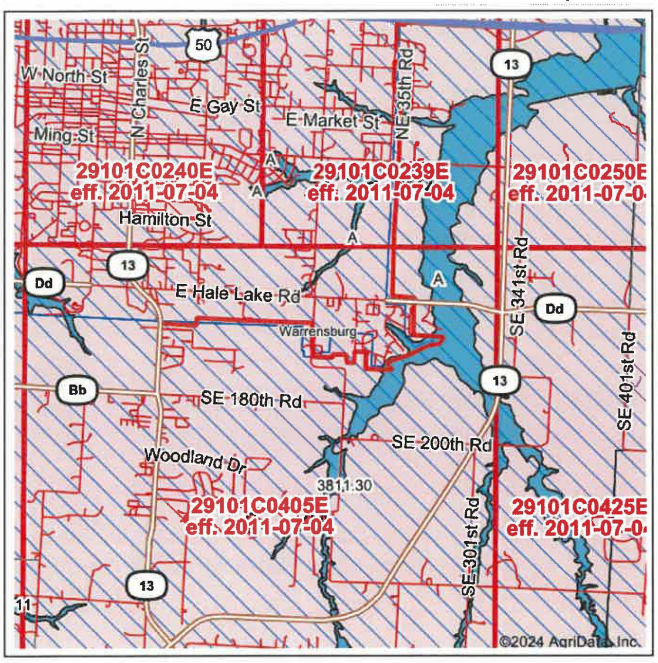
Code	Soil Description	Acres	Percent of field	Non-Irr Class Legend	Soil Drainage	Non-Irr Class *c	Corn	Corn Bu	Soybeans Bu	*n NCCPI Overall	*n NCCPI Corn	*n NCCPI Soybeans
13507	Bremer silty clay loam, 0 to 2 percent slopes, rarely flooded	141.33	3.7%		Poorly drained	IIw				67	67	59
36049	Zook silty clay loam, 0 to 2 percent slopes, frequently flooded	139.91	3.7%		Poorly drained	IIIw				56	56	38
10140	Snead silty clay loam, warm, 5 to 14 percent slopes, eroded	129.32	3.4%		Moderately well drained	VIe				48	41	34
40034	Barco loam, 2 to 5 percent slopes	106.80	2.8%		Well drained	IIe				60	56	49
36072	Blackoar silt loam, 1 to 4 percent slopes, frequently flooded	102.01	2.7%		Poorly drained	IIIw				71	64	70
10089	Mandeville silt loam, 5 to 9 percent slopes	82.39	2.2%		Well drained	IIIe				68	68	54
40081	Norris channery silt loam, 5 to 14 percent slopes	62.34	1.6%		Well drained	VIs				25	25	14
13626	Nodaway silt loam, 1 to 3 percent slopes, occasionally flooded	52.41	1.4%		Moderately well drained	IIw				74	72	64
70101	Bolivar fine sandy loam, 9 to 14 percent slopes, eroded	52.03	1.4%		Well drained	VIe				46	46	28
30093	Haig silt loam, 0 to 2 percent slopes	39.84	1.0%		Poorly drained	IIw				74	74	65
30068	Gorin silt loam, 5 to 9 percent slopes, eroded	33.62	0.9%		Somewhat poorly drained	IIIe				75	75	54
60234	Weller silt loam, 2 to 5 percent slopes	33.54	0.9%		Moderately well drained	IIe				73	73	60
10117	Sampsel silty clay loam, 5 to 9 percent slopes	32.45	0.9%		Somewhat poorly drained	IIIe				65	65	57
30178	Polo silt loam, 2 to 5 percent slopes	30.76	0.8%		Well drained	IIe				76	76	63
10086	Mandeville silt loam, 2 to 5 percent slopes	22.97	0.6%		Well drained	IIe				64	64	52
64001	Freeburg silt loam, 0 to 3 percent slopes, rarely flooded	20.70	0.5%		Somewhat poorly drained	IIw	7	7	2	79	79	74
99001	Water	14.80	0.4%		Subaqueous							
36096	Zook silty clay loam, 1 to 5 percent slopes, frequently flooded	10.94	0.3%		Poorly drained	IIIw				74	74	47
10025	Higginsville silt loam, 2 to 5 percent slopes	6.09	0.2%		Somewhat poorly drained	IIe				84	83	83
13529	Bremer silty clay loam, 1 to 3 percent slopes, rarely flooded	3.04	0.1%		Poorly drained	IIw				68	68	60
					Weighted Average	*-	*-	*-	*-	*n 67.6	*n 65.9	*n 57.6

*n: The aggregation method is "Weighted Average using all components"
*c: Using Capabilities Class Dominant Condition Aggregation Method
c: Using Capabilities Class Dominant Condition Aggregation Method- Non Irr Class weighted average cannot be calculated on the current soils data due to missing data.

Topography Hillshade



FEMA Report



Map Center: 38.740984, -93.709649

State:	MO	Acres:	3811.3
County:	Johnson	Date:	2/13/2024
Location:	31-46N-25W		
Township:	Warrensburg		

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N W E S

Name	Number	County	NFIP Participation	Acres	Percent
JOHNSON COUNTY	290809	Johnson	Regular	3779.97	99.2%
WARRENSBURG, CITY OF	290194	Johnson	Regular	31.33	0.8%
			Total	3811.30	100%

Map Change	Date	Case No.	Acres	Percent
No			0	0%

Zone	SubType	Description	Acres	Percent
X	AREA OF MINIMAL FLOOD HAZARD	Outside 500-year Floodplain	3235.59	84.9%
A		100-year Floodplain	575.71	15.1%
A		100-year Floodplain	575.71	15.1%
X	AREA OF MINIMAL FLOOD HAZARD	Outside 500-year Floodplain	-575.71	-15.1%
		Total	3811.30	100%

Panel	Effective Date	Acres	Percent
29101C0405E	7/4/2011	2981.05	78.2%
29101C0239E	7/4/2011	736.42	19.3%
29101C0250E	7/4/2011	72.11	1.9%
29101C0425E	7/4/2011	21.72	0.6%
	Total	3811.30	100%

Flood related information provided by FEMA

Highest and Best Use Analysis

The beginning point in the valuation of any real estate is the determination of the property's highest and best use. Highest and Best Use is defined in the 15th Edition of *The Appraisal of Real Estate* as follows:

> *The reasonably probable and legal use of vacant land or an improved property that is physically possible, appropriately supported, and financially feasible and that results in the highest value.*

The 15th Edition states that there are four implicit steps as part of the analysis that are applied in the following order: (1) Legally Permissible, (2) Physically Possible, (3) Financially Feasible, and (4) Maximally Productive.

The subject property includes permanent easements and infrastructure/facilities associated with the Johnson County PWSD #3 water distribution system. After considering the components of the subject property system and taking into account the analysis and report prepared by Hartman Consultants, LLC, it is our opinion the highest and best use of the subject property as of March 8, 2024, is its present use as a water distribution system. Furthermore, it is our opinion the market value of the land, as vacant, is also for its present use as part of a utility infrastructure system.

Application of Approaches to Value

Normally included within the steps of the valuation process are the three classic approaches to a value estimate: the Cost Approach, the Sales Comparison Approach and the Income Capitalization Approach. Each of these approaches tends to independently serve as a guide to the valuation of the property with varying degrees of validity.

The Cost Approach gives recognition to the fact that buyers have available to them the alternative of constructing a new building when contemplating the purchase of an existing building. Thus, the cost to reproduce the property is utilized as a measure of value.

However, most properties experience varying degrees of accrued depreciation which result from physical depreciation, functional obsolescence and external obsolescence. Any of these three types of depreciation (or a combination thereof) from which the property suffers must be deducted from the estimated cost new of the improvements. The difficulty, then, in applying the Cost Approach is the ability of the appraiser to accurately extract or estimate the amount of depreciation the property being appraised suffers.

The Sales Comparison Approach is based upon the theory that the value of a property is determined by the actions of buyers and sellers in the market for comparable types of property. Recognizing no two properties are identical and that properties sell at different times under different market conditions, the application of the Sales Comparison Approach requires the appraiser to consider any differences between a respective sale and the subject property which may affect value. After the relevant differences are adjusted for, an indicated range of value results.

The theory of the Sales Comparison Approach also realizes that buyers and sellers often have motivations that are unknown to the appraiser and difficult to quantify in the adjustment process. Therefore, while this approach has certain strengths and foundation, it must be carefully applied in order to lead the appraiser to a realistic opinion of value.

And lastly, the Income Capitalization Approach is typically given very much consideration in the appraisal process for income-producing properties. The Income Capitalization Approach gives recognition to the subject property's capabilities of producing an income and that investors in the real estate market will pay a specific amount of cash, or its equivalency, to receive that income, as well as the rights of ownership of the property at the end of the income period.

The Income Capitalization Approach is applied based upon market-extracted information, most notably the income and expenses that prevail in the market for the type of property being appraised. After an appropriate estimate of income is arrived at, the income is converted to an estimate of value via a capitalization rate. The capitalization rate is also either extracted from the market or may be derived based upon a built-up method.

(Continued)

After the appraiser independently applies each approach to value, the three resultant value estimates are reconciled into an overall estimate of value. In the reconciliation process, the appraiser analyzes each approach with respect to its applicability to the property being appraised. Also considered in the reconciliation process is the strength and weakness of each approach with regards to supporting market data.

Regarding the valuation of the subject property, we have applied the Cost Approach and the Sales Comparison Approach. The Income Capitalization Approach was not applied due to the unavailability of the significant amount of market data pertaining to income and expenses that would be necessary to arrive at a credible conclusion.

Following this section is a more detailed explanation of the Cost Approach and the Sales Comparison Approach.

Cost Approach

The Cost Approach to Value is a technique in the appraisal process which recognizes that a prudent purchaser/investor of real estate may consider constructing a new building as an alternative to buying an existing property.

Although it holds true that a prudent purchaser would not pay more for a building than the cost of buying the land and constructing a new building which would offer similar utility, the estimated cost new of the property must be adjusted for items of depreciation which the property being appraised has suffered. Only then will the Cost Approach yield an indication of value which can be correlated with the other two approaches to arrive at the market value of the property.

The beginning point of the typical Cost Approach is to arrive at an estimate of the land value as vacant. The land value is arrived at by applying the Sales Comparison Approach utilizing vacant land sales from the market.

The next step is to estimate the cost new of the building. There are two primary types of cost: the Reproduction Cost and the Replacement Cost.

Reproduction Cost is defined as:

The cost of construction, at current prices, of an exact duplicate, or replica, using the same materials, construction standards, design, layout, and quality of workmanship, and embodying all of the deficiencies, superadequacies, and obsolescence of the subject building. [9]

Replacement Cost is defined as:

The cost of construction, at current prices, of a building having utility equivalent to the building being appraised but built with modern materials and according to current standards, design, and layout. [10]

If a property suffers any functional obsolescence, it is necessary to utilize the Reproduction Cost estimate. The measure of loss of value from the functional inadequacy (or superadequacy) would then be deducted as an item of depreciation.

After the cost of the property is estimated, all items of depreciation are measured and deducted from the cost to arrive at an estimate of the depreciated cost new of the improvements. The land value as vacant is then added to arrive at a total estimate of the property via the Cost Approach.

Cost Approach
(Continued)

Thus, to accurately estimate the value of the property, the appraiser must:

1). Estimate the value of the land as vacant;
2). Estimate the cost new of the building;
3). Estimate the amount of all items of depreciation, if any;
4). Deduct the depreciation estimate from the cost new estimate; and
5). Add the estimated land value to the depreciated value of the improvements.

The starting point in the application of the Cost Approach is to arrive at an estimate of the subject property land as vacant. The land value is estimated based upon the Direct Sales Comparison theory which basically states that no one will pay more for a parcel of land than the cost of acquiring an equally suitable parcel. Therefore, the value of the site is arrived at by measuring the actions of buyers and sellers in the market for comparable parcels of land.

Land Value Contribution

Below is a summary of land transactions that were relied on in developing the land value opinions.

Cost Approach
(Continued)

No.	*Address*	*City, State Zip*	*County*	*Type*	*Sale Date*	*Sale Price*	*Size/SF*	*Acres*	*Price/SF*	*Price/AC*
1	Highway 13 & **HH**	Warrensburg MO 64093	Johnson	Agri/Industrial	06/19/2017	$1,098,000	5,314,320	122	$0.21	$ 9,000
2	llORR	Warrensburg MO 64093	Johnson	Agri/Residential	03/20/2023	$ 748,000	5,096,250	117	$0.15	$ 6,393
3	Bus Hwy 13	Warrensburg MO 64093	Johnson	Agri/Residential	04/01/2021	$ 880,000	6,969,600	160	$0.13	$ 5,500
4	Highway 50	Warrensburg MO 64093	Johnson	Agri/Residential	03/22/2023	$ 486,700	4,595,500	105.5	$0.11	$ 4.61
5	Highway 13	Warrensburg MO 64093	Johnson	Agri/Residential	04/15/2021	$ 874,500	6,926,040	159	$0.15	$ 5,500
6	500 Road	Warrensburg MO 64093	Johnson	Agri/Residential	03/20/2023	$ 615,000	3,484,800	**80**	$0.18	$ 7,688
7	105 Road	Warrensburg **MO** 64093	Johnson	Agri/Residential	12/01/2023	$ 190,000	871,200	20	$0.22	$ 9,500
8	421 Road	Warrensburg MO 64093	Johnson	Agri/Residential	12/01/2020	$ 475,000	2,413,324	55.4	$0.20	$ 8,574
9	500 Road	Warrensburg MO 64093	Johnson	Agri/Residential	05/01/2023	$ 180,000	740,520	17	$0.24	$10,588
10	DD	Warrensburg MO 64093	Johnson	Agri/Residential	01/02/201	$ 128,940	936,104	21.49	$0.14	$ 6,000
11	Highway 50	Warrensburg MO 64093	Johnson	Agri/Residential	12/01/2023	$ 190,000	858,132	19.70	$0.22	$ 9,645
12	500 Road	Warrensburg MO 64093	Johnson	Agri/Residential	06/29/2023	$ 300,000	1,437,480	33	$0.21	$ 9,091
13	800 Road	Warrensburg MO 64093	Johnson	Residential	05/07/2022	$ 110,000	381,586	8.76	$0.29	$12,557
14	105 Roads	Warrensburg MO 64093	Johnson	Residential	11/01/2023	$ 100,000	374,616	8.60	$0.27	$11,628
15	Highway 13	Warrensburg MO 64093	Johnson	Commercial/ Residential	03/01/2023	$ 106,925	233,917	5.37	$0.46	$19,912
16	191 Road	Warrensburg MO 64093	Johnson	Residential	08/09/2023	$ 80,000	324,086	7.44	$0.25	$10,753
17	71 Road	Warrensburg MO 65093	Johnson	Residential	11/08/2023	$ 80,000	348,480	8.00	$0.23	$10,000
18	**HH**	Warrensburg MO 64093	Johnson	Residential	05/14/2021	$ 69,900	304,920	7.00	$0.23	$ 9,986
19	525 Road	Warrensburg MO 64093	Johnson	Residential	09/24/2021	$ 45,000	217,800	5.00	$0.21	$ 9,000
20	180 Road	Warrensburg MO 64093	Johnson	Residential	01/18/2024	$ 36,500	115,434	2.65	$0.32	$13,774
21	Highway 50	Warrensburg MO 64093	Johnson	Residential	05/07/2021	$ 30,000	130,680	3.00	$0.23	$10,000
22	300 Road	Warrensburg **MO** 64093	Johnson	Residential	08/15/2023	$ 68,500	179,467	4.12	$0.38	$16,626
23	250 Road	Warrensburg MO 64093	Johnson	Residential	01/26/2024	$ 32,500	80,586	1.85	$0.40	$17,568
24	Highway 58	Centerview MO 64019	Johnson	Industrial	12/04/2023	$ 49,000	95,832	2.20	$0.51	$22,273
25	Young Avenue	Warrensburg MO 64093	Johnson	Commercial	11/04/2021	$ 20,000	28,750	0.66	$0.70	$30,303
26	Mitchell	Warrensburg MO 64093	Johnson	Commercial/ Residential	11/30/2022	$225,000	261,360	6.00	$0.86	$37,500
27	730 Road	Warrensburg MO 64093	Johnson	Commercial	03/04/2022	$ 66,000	252,212	5.79	$0.26	$11,399
28	Warren Street	Warrensburg MO 64093	Johnson	Commercial	10/31/2023	$245,000	330,185	7.58	$0.74	$32,322

Cost Approach
(Continued)

The mean price per acre for the sales is $12,967 with a mean price per square foot of $0.30 per square foot. The mean site size is 35.5 acres. Based on the location of the permanent easements in predominantly residential areas, a value of $0.35 per square foot was estimated for the land encumbered by the permanent easements located in the subdivisions and $0.20 per square foot for the property located along the rural roads.

The impact of an easement is difficult to measure. A paired sales analysis, comparing a sold parcel without easement to a similar sold parcel with an easement cannot be applied due to limited sales evidence. Impact ratios used to negotiate/acquire easement right-of-way by utility companies and MODOT are reported as follows:

UTILITY COMPANY	***PERMANENT ESMT.***	***TEMPORARY ESMT.***
American Water/St. Louis County	35% maximum	5% minimum impact
M.S.D. / St. Louis County	50% 12'-15'deep	20% maximum impact 25% deeper depth
Public Water Dist. 2/St. Louis County	30% maximum	5% minimum impact
MODOT	50% typical	10% annual return

Ratios are percentages applied to unencumbered land value. Compensation is estimated by applying a 20% ratio to the fee simple land value to estimate the value of the permanent easements since the properties that are encumbered are primarily located in right-of-ways. Documentation regarding each easement was not available. Typical utility easements range from 20 feet to 30 feet. Therefore, an average easement width of 25 feet was utilized for our analysis. The subdivision land is estimated to have a value of $0.35 per square foot. The total land area has been calculated at 371,051 square feet, or 8.52 acres. The rural area has been calculated at

371,051 sf x $0.35/sf x 20% = $25,974
876,468 sf x $0.20/sf x 20% = $35,059

Total Estimated Value $61,030

The total value for the land rights comprised of permanent easements is concluded to be $60,000, rounded.

Contributory Value of System Assets –

With respect to the subject property system facilities, we have utilized the depreciated asset values from the engineering report completed by Hartman Consultants, LLC. The replacement cost new less depreciation values are summarized on Page 18 of the report. The report concluded a cost new for the assets of approximately $1,521,800.

Entrepreneurial Profit is defined (The Dictionary of Real Estate Appraisal, Sixth Edition, Appraisal Institute, 2015, page 77) as follows:

"A market-derived figure that represents the amount an entrepreneur receives for his or her contribution to a project and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses."

It is synonymous with such terms as "developer's profit" and "entrepreneurial reward", and is the return required or expected by the entrepreneur for assuming the risk associated with developing a new property. The Cost Approach would be incomplete without accounting for entrepreneurial profit. For properties such as the subject, an estimated entrepreneurial profit of five percent is considered to be reasonable. This would indicate a replacement cost new of $1,597,900, rounded.

$1,521,800 x 1.05% = $1,597,900

After applying the age/life method to determine the physical depreciation to the assets with no deductions made for functional or external obsolescence and excluding equipment, tools, inventory, consumables, structures, records, maps and reports, the resultant estimate of value utilizing the same percentage of physical depreciation as indicated by the engineering report is $820,000, rounded. ($1,597,900-$781,200)

The estimates (installation cost and depreciated cost) are consistent with data we have reviewed regarding cost estimates of other water distribution systems with comparable infrastructure assets. In addition to comparing the Hartman cost estimates and unit costs for individual components with cost data maintained in our files, we have also compared the engineering age/life application to data developed from other utility systems. The analysis is consistent with the methodology employed by experts for similar valuation assignments and the cost and depreciation data contained in the engineering report is consistent with the industry standards. The forms of depreciation are defined as follows:

Depreciation is a loss in the value of property over time from one or more of three sources: physical deterioration, functional obsolescence, and external or economic obsolescence.

1. Physical Deterioration - is a loss in value due to wear and tear to the building or site improvements resulting from usage and age. The amount of physical depreciation that has been suffered is determined primarily by the type of usage and level of maintenance.

2. Functional Obsolescence - is a loss in value due to an inefficient or obsolete design, changes in technology which reduces functional utility, or changes in market perceptions of what creates current market appeal and acceptance.

3. External Obsolescence - is a loss in value resulting from factors external to the subject property. It is sometimes called the neighborhood effect. Evidence of external obsolescence is the market's willingness to pay more for comparable property in an alternative location. It may be reflected in land value, improvement value, or both. Essentially, this form of depreciation is an adjustment for the effect of market demand (or lack of it) on the value of property. The types of land use and relative levels of market activity are indicative of the strength or weakness of demand in the area.

Only physical depreciation was deducted in the analysis. Therefore, we have concluded it is appropriate to rely on the engineer's estimates.

Contributory Value of System Assets – Site Improvements

The contributory value of the various improvements on the properties should also be accounted for in the Cost Approach. However, the system consists of only the distribution system. Therefore, there is no contributory value of site improvements.

Summary

The final step in the Cost Approach is to add the depreciated value of the assets for the subject property water system.

Based upon our analysis of the land, combined with the Hartman analysis with an adjustment made for entrepreneurial profit that is not shown in the Hartman report, the total value by the Replacement Cost New Less Depreciation is summarized below.

Permanent Easement Value:	$ 60,000
Site Improvements:	$ 0
System Assets (from Engineer report):	$820,000
Total:	$880,000
Rounded to:	***$880,000***

Sales Comparison Approach

The Sales Comparison Approach is an approach to value which measures the actions and activity of buyers and sellers in the market and relates those actions to the property being appraised. Also referred to as the Market Approach, the underlying premise of this approach to value is that no prudent purchaser will pay more for a property than the cost of acquiring an equally suitable parcel. The fundamental concept of the Sales Comparison Approach is the Principle of Substitution, which is defined as:

> *A valuation principle states that a prudent purchaser would pay no more for real property than the cost of acquiring an equally desirable substitute on the open market. The Principle of Substitution presumes that the purchaser will consider the alternatives available and will act rationally or prudently on the basis of the information about those alternatives, and that reasonable time is available for the decision. Substitution may assume the form of the purchase of an existing property, with the same utility, or of acquiring an investment which will produce an income stream of the same size with the same risk as that involved in the property in question.*

Research of the area, state and national real estate market was completed in order to find sales of water distribution systems that included comparable features to the subject property. There have been several sale properties selected from all available sale transactions for analysis in this approach. The sales data was provided through information from the Missouri Public Service Commission, Illinois Commerce Commission, Aqua America Inc., American Water Company, and Hartman Consultants LLC.

The sales considered to be the most comparable to the subject property in terms of arms-length sales transactions, location of the system, capital improvements supporting the water system and number of water customer accounts in the entire system were utilized. All information of the sale transactions and properties was confirmed by the previously mentioned party or parties to the transaction.

As explained in the Scope of Work section of this report, we included transactional data pertaining to utility systems located in Illinois. We did consider transactions by Missouri American Water of systems in Missouri. However, the market data available for utility systems acquired in Missouri is very limited, with Missouri American Water Company being the primary entity acquiring systems. Therefore, it is reasonable and acceptable to expand the search for comparable market data to areas outside the borders of Missouri. The following is a summary of the market data relied on for this assignment.

Sales Comparison Approach
(Continued)

Sale 1
City of Rosiclare Water Utility (Water)
City of Rosiclare, Hardin County, Illinois
December 22, 2022
Asset Purchase Agreement signed February 14, 2022
Price: $2,700,000 ($5,143 per connection)

Seller: City of Rosiclare, Illinois
Buyer: Illinois American
ICC Docket #22-0143

The current water treatment plant was built in 1934 during the "prosperous years" through 1960. The current water supply wells were built in 1995. The last improvements to the subject facilities were in the 2003/2004 period. There are 525 water connections on the City's distribution system. There are 54,715 feet of mains, 89 hydrants, and 160 valves. There are no land or easements that are part of this water delivery system.

Sale 2
Village of Broadlands Water Utility (Water)
Village of Broadlands, Champaign County, Illinois

August 22, 2023 Closed
Asset Purchase Agreement signed August 1, 2022
Price: $425,000 ($2,742 per connection)

Seller: Village of Broadlands, Champaign County, Illinois
Buyer: Illinois American
ICC Docket #22-0537

Water treatment and distribution system with 155 connections. The primary water source is purchased water from Embarrass Area Water District. Assets include a meter station, meter and chlorination station, 90,000-gallon standpipe water storage tank, 155 meters, 28 hydrants, and 14,020 linear feet of water mains. There are two parcels of land.

Sales Comparison Approach
(Continued)

Sale 3
Village of Tolono Water & Wastewater Utilities (Water & Sewer)
Village of Tolono, Champaign County, Illinois

June 20, 2023
Asset Purchase Agreement signed August 11, 2022
Price: $4,000,000 Water ($3,089 per connection)
$5,416,000 Wastewater ($4,318) per connection)

Seller: Village of Tolono, Champaign County, Illinois
Buyer: Illinois American
ICC Docket #22-0536

1,295 water connections; 1,254 wastewater connections

Water system with 193,000 linear feet of mains, 130 hydrants

Wastewater system with wastewater treatment plant and six lift stations. The treatment plant is a standard secondary STP with screening, excess flow treatment, grinding, primary clarification, suspended growth, extended aeration activated sludge, rapid sand filters, aerobic digestion, sludge sand drying beds, sludge lagoons. The six lift stations are: Elizabeth Street, Third Street, Larmon Street, East Street, Condit Street, and Watson Street. There are 310 sanitary sewer manholes. The buyer will spend $17 million in the first five years of ownership to upgrade both systems.

Sales Comparison Approach
(Continued)

Sale 4
Village of Oak Brook Water Utility (Water)
Village of Oak Brook, DuPage County, Illinois

November 29, 2022
Asset Purchase Agreement signed April 27, 2021
Price: $12,500,000 ($3,097 per EDU)

Seller: Village of Oak Brook, Illinois
Buyer: Aqua Illinois
ICC Docket #21-0872

The Oak Brook Water System provides water system services via approximately 2,058 connections, or 4,036 equivalent dwelling units (EDUs). Water is purchased from the DuPage Water Commission by the Village of Oak Brook. There are five zones that make up the subject property area. Zone 1 has 1,329 residential connections and 46 commercial connections delivering 9,654,292 gallons per month. Zone 2 has 12 commercial connections delivering 1,792,600 gallons per month. Zone 3 has 13 commercial connections delivering 2,061,700 gallons per month. Zone 4 has 130 residential connections and one tollway maintenance building delivering 594,300 gallons per month. Zone 5 has 490 residential connections delivering 2,020,100 gallons per month. The subject property area is outside the village limits. There are 94,484 feet of mains and 203 fire hydrants.

Sales Comparison Approach
(Continued)

Sale 5
City of Villa Grove Water & Wastewater Utilities (Water & Sewer)
City of Villa Grove, Douglas County, Illinois

September 22, 2022
Asset Purchase Agreement signed December 20, 2021
Price: Water $7,000,000 ($4,701 per connection)
Wastewater $4,000,000 ($3,742 per connection)

Seller: City of Villa Grove, Douglas County, Illinois
Buyer: Illinois American
ICC Docket #21-0869

The water system includes four parcels of land owned in fee, one water treatment plant, one active well, one water 75,000-gallon elevated storage tank, one 150,000-gallon elevated storage tank, meters, hydrants, and approximately 96,500 linear feet of water mains. There are 1,489 connections (1,453 connections plus an equivalency of another 36 water customers from wholesale metering) . The water system operations are very good for the general age of the system. The new 500 gpm ion-exchange water softening facility with refurbished wells and new appurtenances was on-line in May 2019 at a cost of $4.6 million. The system has two elevated storage tanks; one built in 1919 and refurbished in 1935 of 75,000 gallons at 85' in height and one built in 1993 of 150,000 gallons with an elevation to base bottom of 103 feet and over-flow at 135 feet. Both are routinely inspected and refurbished. There are 1,129 water customers and 1,453 meters, with some customers having multiple meters. There are two 4" large customer meters and 140 hydrants. The current annual average water demand is near 500,000 gpd. The WTP capacity is 720,000gpd AADF.

The wastewater system includes two parcels of land owned in fee, six wastewater lift stations, a wastewater treatment plant, and approximately 84,100 linear feet of mains. There are 1,069 connections. The current wastewater facilities were built in 1978 and are in need of refurbishment or replacement. The facility is a conventional complete mix activated sludge CMAS pre-engineered facility. There are two sanitary type 300,000 gpd AADF concrete/steel package plants trains. The current flow rate is in the 350,000 to 400,000 gpd AADF range. There are six wastewater lift/pumping stations: McCoy, Old Sewer Plant, Birch Lane, Industrial Park, Adams Avenue, and Harrison Park.

Illinois American Water will also invest approximately $21 million in the first seven years of ownership to upgrade both systems.

Sales Comparison Approach
(Continued)

Sale 6
City of Orrick Water & Wastewater Utilities (Water & Sewer)
City of Orrick, Ray County, Missouri

Closed February 16, 2022
Price: $840,000 Water ($2,507 per connection)
$670,000 Wastewater ($2,000 per connection)

Seller: City of Orrick, MO
Buyer: Missouri American
MO PSC Docket #WA-2022-0049

Orrick purchases water from Ray County Consolidated Public Water Supply32 3 District 2 ("PWSD #2"). The Orrick water system consists of approximately 39,250 feet of water mains ranging in size from 1" to 8" with approximately 47 hydrants. The system includes a 150,000-gallon elevated storage tank. Water is supplied to the system through an 8" metered interconnect with PWSD #2. There are 335 water connections.

The wastewater system consists of approximately 34,000 feet of 8" gravity mains and 351 manholes and 5 duplex lift stations pumping through 7300 feet of 6" force main to the lagoon treatment system. The lagoon consists of three cells, a small aeration cell followed by primary and polishing cells. The system discharges into Kenney Creek. There are 335 wastewater connections.

Missouri American will complete $1.3 million in upgrades to both systems.

Sales Comparison Approach
(Continued)

Sale 7
City of Eureka Water and Wastewater Utilities (Water & Sewer)
City of Eureka, St. Louis County, Missouri

Closed August 4, 2022
Price: $18,000,000 Water ($4,490 per connection)
$10,000,000 Wastewater ($2,527 per connection)

Seller: City of Eureka, MO
Buyer: Missouri American
MO PSC Docket #WA-2021-0376

The City of Eureka water and wastewater systems consist of 4,009 water customers and 3,957 wastewater customers, located in St Louis County.

The water system includes six wells, eight booster pump stations, seven storage tanks, and the water distribution system. The water distribution system includes approximately 58.8 miles of water main ranging in size from 2-inch to 12-inch, 642 fire hydrants, associated valves and fittings.

The wastewater treatment plant is a three-cell aerated lagoon plant with a design flow of 2.8 million gallons per day, according to the MDNR Operating Permit. The wastewater collection system includes ten sewer lift stations, approximately 62.5 miles of sewer main ranging in size from 4-inch to 48- inch, and 1,452 manholes.

Sales Comparison Approach
(Continued)

Sale 8
City of Smithton Water & Wastewater Utilities (Water & Sewer)
City of Smithton, Pettis County Missouri

October 31,2022 Closed
Asset Purchase Agreement signed May 9, 2022
Price: $565,000 Water ($2,511 per connection)
$1 Wastewater (NA per connection)

Seller: City of Smithton, MO
Buyer: Missouri American
MO PSC Docket #WA-2023-0071

The water system consists of one elevated 50,000-gallon welded steel tank, two 3 deep wells and approximately 28,000 feet of 2-, 4- and 6-inch water main. There are approximately 30 fire hydrants.

The sewer system consists of a two-cell treatment lagoon and a collection system consisting of approximately 23,000 feet of sewer and 75 manholes.

There are 225 water connections and 223 wastewater connections.

Sales Comparison Approach
(Continued)

Sales 9a & 9b
1a - Royal Oaks Mobile Water & Wastewater System (Water & Sewer)
1b - Four Seasons Water & Wastewater System (Water & Sewer)
City of Peoria, Peoria County, Illinois

Closed October 13, 2022
Asset Purchase Agreement signed November 30, 2021
Price: Royal Oaks Water $56,000 ($221 per customer)
Royal Oaks Wastewater $35,000 ($138 per customer)
Four Seasons Water $26,000 ($123 per customer)
Four Seasons Wastewater $15,000 ($71 per customer)

Seller: YES Companies EXP Fred, LLC
Buyer: Illinois American

Water and wastewater system serving Royal Oaks Mobile Home Community, 2109 N. Abbey Cir., Peoria, Illinois, having approximately 253 customer connections, main, valves, and hydrants; and water and wastewater system serving Four Seasons Mobile Home Community, 204 N. Apple Blossom, Peoria, Illinois, having approximately 212 customer connections, main, valves, and hydrants.

The water systems are distribution facilities and customers only. They received wholesale potable water service and have no source, treatment, or storage facilities.

The wastewater systems have only wastewater collection systems consisting of gravity sewers, manholes, connecting into the wastewater transmission, treatment, and disposal by other providers. They own no transmission, treatment, or disposal facilities.

Sales Comparison Approach
(Continued)

Sale 10
Country Meadows Water Utility (Water)
Village of Swansea, St. Clair County, Illinois

February 2, 2022 Closed
Asset Purchase Agreement signed June 30, 2021
Price: $400,000
Water system with 230 customers ($1,739 per customer)

Seller: Jim McDonald Sales, Inc.
Buyer: Illinois American

The water system includes approximately 17,784 linear feet of water mains, 67 valves, one master meter vault, one tapping saddle and valve, and approximately 230 water meters. There are no land or easements applicable to this water system. This is a water system for a mobile home park.

Sales Comparison Approach
(Continued)

Sale 11

Village of Hardin Water & Wastewater Utility (Water & Sewer)
Village of Hardin, Calhoun County, Illinois

June 8, 2022 Closed
Asset Purchase Agreement signed June 10, 2021
Price: $2,300,000 Water
$1,000,000 Sewer
Water system with 435 customers ($5,287 per customer)
Wastewater system with 405 customers ($2,469 per customer)
.
Seller: Village of Hardin, Illinois
Buyer: Illinois American
ICC Docket #21-0511

The water system includes five parcels of land owned in fee, one water treatment plant, two active wells, one water storage tank, one pressure reducing station, one booster pump station, meters, hydrants, and approximately 49,800 linear feet of water mains. The land parcels owned in fee include 1 Lions Lane (a water treatment plant), Dripping Springs Hollow Road (a water storage tank), the east side of County Hwy 1 (two wells), S County Road (booster pump station), and W Main St and Stone Hill Road (pressure reducing station).

The wastewater system includes six parcels of land owned in fee, five wastewater lift stations, a wastewater treatment plant, and approximately 57,400 linear feet of mains. The land parcels owned in fee include 21415 Illinois River Road (wastewater treatment plant), 2 Braun St (lift station #1), South of North Side Grocery on Rt 100 (lift station #2), North of North Side Grocery on Rt 100 (lift station #3), South of Calhoun Auto on Rt 100 (lift station #4), East of Water Treatment Plant on Rt 100 (lift station #5).

Sales Comparison Approach
(Continued)

Sale 12

City of Mount Pulaski Water & Wastewater Utility (Water & Sewer)
City of Mount Pulaski, Logan County, Illinois

December 17, 2021 Closed
Asset Purchase Agreement signed April 1, 2021
Sale Price: $3,800,000 Water
$1,450,000 Sewer
Water system with 834 customers ($4,556 per customer)
Wastewater system with 800 customers ($1,813 per customer)
.
Seller: City of Mount Pulaski, Illinois
Buyer: Illinois American
ICC Docket #21-0309

The water system includes three parcels of land owned in fee, one water treatment plant, three active wells, one water tower, meters, hydrants, and approximately 68,000 linear feet of water mains.

The wastewater system includes four wastewater lift stations, a wastewater treatment plant, and approximately 71,600 linear feet of mains.

Sales Comparison Approach
(Continued)

Sale 13

City of Livingston Water & Wastewater Utility (Water & Sewer)
City of Livingston, Logan County, Illinois

August 19, 2021 Closed
Asset Purchase Agreement signed June 19, 2020
Price: $550,000 Water
$1 Sewer
Water system with 375 customers ($1,467 per customer)
Wastewater system with 340 customers ($NA per customer)
.
Seller: City of Livingston, Illinois
Buyer: Illinois American
ICC Docket #20-0680

The water system includes one parcel of land owned in fee, one water treatment plant, one water tower, two booster pumps, meters, hydrants, and approximately 45,000 linear feet of water mains.

The wastewater system includes four wastewater lift stations, one wastewater treatment plant, and approximately 34,000 linear feet of mains.

Sales Comparison Approach
(Continued)

Sale 14

City of Jerseyville Water & Wastewater Utility (Water & Sewer)
City of Jerseyville, Jersey County, Illinois

Closed October 2020
Price: $26,250,000 Water
$17,000,000 Sewer
Water system with 4,259 customers ($6,163 per customer)
Wastewater system with 3,959 customers ($4,294 per customer)
.
Seller: City of Jerseyville, Illinois
Buyer: Illinois American
ICC Docket #19-1139

The water system includes three parcels of land owned in fee, one water treatment plant, three active wells, one water tower, one water storage tank, meters, hydrants, and approximately 649,000 linear feet of water mains.

The wastewater system includes 10 wastewater lift stations, two wastewater treatment plants, and approximately 438,000 linear feet of mains.

Sales Comparison Approach
(Continued)

Sale 15

Four Lakes Condominium Association Water Utility (Water)
City of Lisle, Jersey County, Illinois

Closed October 2020
Price: $900,000 Water
Water system with 1,266 customers ($711 per customer)
.
Seller: Four Lakes Village Condominium Homeowners' Association
Buyer: Illinois American

The water system includes meters, hydrants, and approximately 16,000 linear feet of water mains.

Sales Comparison Approach
(Continued)

Sale 16

City of Rosiclare Water and Wastewater Utility (Water & Sewer)
City of Rosiclare, Hardin County, Illinois

Closed May 2020
Asset Purchase Agreement signed June 4, 2019
Price: $480,000 Water
$120,000 Sewer
Water system with 525 customers ($914 per customer)
Wastewater system with 400 customers ($300 per customer)

Seller: City of Rosiclare, IL
Buyer: Illinois American
ICC Docket #19-0733

This sale included the transfer of a water treatment and sewer system. The water system includes two parcels of land owned in fee, one water treatment plant built in 1934, two active wells built in 1995, one 150,000-gallon water tower, one settling basin and one overflow basin. The water system purchase does not include the distribution system. The water treatment plant design maximum capacity is 350,000 gpd. The wastewater system includes four parcels of land owned in fee, one wastewater lift station built in 2017, one wastewater treatment plant built in 1951 with major improvements in 1987, and approximately 46,000 linear feet of mains.

Sales Comparison Approach
(Continued)

Sale 17
Village of Sidney Water Utility (Water)
Village of Sidney, Champaign County, Illinois

Closed May 2020
Asset Purchase Agreement signed April 25, 2019
Price: $2,300,000
Water system with 567 customers ($4,056 per customer)

Seller: Village of Sidney, IL
Buyer: Illinois American
ICC Docket #19-0653

This sale included the transfer of a water system. The water system includes a 150,000-gallon elevated storage tank built in 1953, 92 hydrants, approximately 220 valves, 546 meters, approximately 100,000 linear feet of water mains, a booster pump station, and re-chlorination buildings. The system is a sequential system purchasing bulk water from Illinois American Water Company.

Sales Comparison Approach
(Continued)

Sale 18
Village of Andalusia Water and Wastewater Utility (Water & Sewer)
Village of Andalusia, Rock Island County, Illinois

Closed May 2020
Asset Purchase Agreement signed May 7, 2019
Price: $1,800,000 Water
$1,500,000 Sewer
Water system with 490 customers ($3,673 per customer)
Wastewater system with 460 customers ($3,261 per customer)

Seller: Village of Andalusia, IL
Buyer: Illinois American
ICC Docket #19-0732

This sale included the transfer of a water treatment and distribution system, and sewer system. The water system includes a 310,000-gallon storage tank built in 1980, a chlorination and fluoridation water treatment plant operating in the 60 to 80 psi range, 106 hydrants, a booster pump station, and approximately 55,000 linear feet of water mains. The sewer system includes three lift stations, approximately 6,000 linear feet of force mains, 34,800 linear feet of gravity collection mains, 140 manholes, and a three-cell wastewater treatment plant. The sanitary system does not include stormwater and is not a CSO type facility.

Sales Comparison Approach
(Continued)

Sale 19
Village of Leonore Water Utility (Water)
Village of Leonore, Rock Island County, Illinois

Closed May 2020
Asset Purchase Agreement signed July 10, 2019
Price: $100,000
Water system with 68 customers ($1,471 per customer)

Seller: Village of Leonore, IL
Buyer: Illinois American
ICC Docket #19-0854

This sale included the transfer of a water treatment system. The water system was built in 1958 and includes one operating well, approximately 11,000 linear feet of water mains, 16 flushing hydrants (not fire hydrants), 68 meters, a 7,500-gallon hydro tank built in 1978, a 10,000 gallon hydro tank built in 1983, and a water treatment plant built in 1976.

(Continued)

Sale 20

City of Ironton Utilities (Water and Sewer)
City of Ironton, Iron County, Missouri

Sold December 13, 2023
Price: $3,700,000
Price breakout per appraisal of this system:
$2,000,000 for Water System with 726 Customers ($2,755 per customer)
$1,700,000 for Sewer System with 705 Customers ($2,411 per customer)
$3,700,000 for both Water and Sewer System

Seller: City of Ironton
Buyer: Missouri American

This sale included the transfer of a water system and sewer system. The City of Ironton is a fourth-class city with a population of approximately 1,475, located in Iron County. According to the application, the City serves approximately 725 water accounts and 700 sewer accounts. The water and sewer systems are currently not subject to the jurisdiction of the Commission. The City's water system consists of a water treatment plant, three storage tanks, a pressure reducing valve vault, and the water distribution system. For sewer, owns a three-cell lagoon, partial irrigation, a wastewater treatment plant and the collection system.

Missouri American Water has also committed to investing $8.4 million over the next 10 years to upgrade Ironton's water and wastewater systems, including replacing or rehabilitating water mains and sewers.

(Continued)

Water

Below is a summary of the water sales transactions that were considered in this analysis. These sales are included on the previous pages. These sales transactions were reported to be cash to the seller at closing unless otherwise noted in the specific sale transaction description. There is not adequate income information available for the sale properties to extract income multipliers and overall rates. The best method of comparison for the subject property in this appraisal is the sale price per customer. Of the 32 examples of market data, 19 are closed sales and 13 are pending sales. The analysis of the sale properties for comparison with the subject property is ultimately based on the number of customers within the water system, the age of the system, and the overall general condition of the system. The properties indicate a range of sale prices from $123 to $6,163 per customer.

SUMMARY OF SALES OF WATER DELIVERY SYSTEMS

Sale #	*Seller*	*Buyer*	*Location*	*State*	*Sales Date*	*Sales Price*	*of Custome*	*Sales Price Per Customer*
1	City of Rosiclare	Illinois American	Rosiclare, Hardin County	IL	12/22/2022	$2,700,000	525	$5,143
2	Village of Broadlands	Illinois American	Broadlands, Champaign County	IL	8/22/2022	$425,000	155	$2,742
3	Village of Tolono	Illinois American	Tolono, Champaign County	IL	6/20/2022	$4,000,000	1,295	$3,089
4	Village of Oak Brook	Aqua Illinois	Village of Oak Brook, DuPage County	IL	11/29/2022	$12,500,000	4,036	$3,097
5	City of Villa Grove	Illinois American	City of Villa Grove, Douglas County	IL	9/22/2022	$7,000,000	1,489	$4,701
6	City of Orrick	Missouti American	City of Orrick, Ray County	MO	2/16/2022	$840,000	335	$2,507
7	City of Eureka	Missouri American	City of Eureka, St. Louis County	MO	8/4/2022	$18,000,000	4,009	$4,490
8	City of Smithon	Missori American	City of Smithton, Pettis County	MO	5/9/2022	$565,000	225	$2,511
9	YES Companies EXP Fred, LLC	Illinois American	City of Peoria, Peoria County	IL	Pending	$56,000	253	$221
9	YES Companies EXP Fred, LLC	Illinois American	City of Peoria, Peoria County	IL	Pending	$26,000	212	$123
10	Country Meadows	Illinois American	Village of Swansea, St. Clair County	IL	2/1/2022	$400,000	230	$1,739
11	Village of Hardin	Illinois American	Village of Hardin, Calhoun County	IL	6/8/2022	$2,300,000	435	$5,287
12	City of Mount Pulaski Water	Illinois American	City of Mount Pulaski, Logan County	IL	12/17/2021	$3,800,000	834	$4,556
13	City of Livingston	Illinois American	City of Livingston, Logan County	IL	8/19/2021	$550,000	375	$1,467
14	City of Jerseyville	Illinois American	City of Jerseyville, Jersey County	IL	10/1/2020	$26,250,000	4,259	$6,163
15	Four Lakes Condominium Assoc.	Illinois American	City of Lisle, Jersey County	IL	10/1/2020	$900,000	1,266	$711
16	City of Rosiclare	Illinois American	City of Rosiclare, Hardin County	IL	5/1/2020	$480,000	525	$914
17	Village of Sidney	Illinois American	Village of Sidney, Champaign	IL	5/1/2020	$2,300,000	567	$4,056
18	Village of Andalusia	Illinois American	Village of Andalusia, Rock Island County	IL	5/1/2020	$1,800,000	490	$3,673
19	Village of Leonore	Illinois American	Village of Leonore, Rock Island County	IL	5/1/2020	$100,000	68	$1,471
20	City of Ironton	Missouri American	City of Ironton, Iron County	MO	12/13/2023	$2,000,000	726	$2,755
	Mean Sale Prices All					$4,142,476	1,062	$3,899

The most comparable properties would be those that include a similar number of customer accounts for the water system, although other differences such as age/condition, location and market area must be reconciled. The sales utilized were of water systems that were pending, relatively recent, or took place within the last six years. The dates of sale and market conditions at the time of sale do not appear to significantly impact the unit sale prices of the sale properties selected for analysis in this approach.

(Continued)

The Johnson County PWSD #3 water system has 133 customers. The sales of the systems located in Missouri are shown in the following chart.

SUMMARY OF SALES OF WATER DELIVERY SYSTEMS

Sale #	*Seller*	*Buyer*	*Location*	*State*	*Sales Date*	*Sales Price*	*# of Customers*	*Sales Price Per Customer*
6	City of Orr	Missouti A	City of Orr	MO	2/16/2022	$840,000	335	$2,507
7	City of Eur	Missouri A	City of Eur	MO	8/4/2022	$18,000,000	4,009	$4,490
8	City of Smi	Missori Ar	City of Smi	MO	5/9/2022	$565,000	225	$2,511
20	City of Iror	Missouri A	City of Iror	MO	12/13/2023	$2,000,000	726	$2,755
							1,324	$3,066

The sales of systems with less than 600 customers are shown in the following chart.

SUMMARY OF SALES OF WATER DELIVERY SYSTEMS

Sale #	*Seller*	*Buyer*	*Location*	*State*	*Sales Date*	*Sales Price*	*of Custome*	*Sales Price Per Customer*
1	City of Rosiclare	Illinois American	Rosiclare, Hardin County	IL	12/22/2022	$2,700,000	525	$5,143
2	Village of Broadlands	Illinois American	Broadlands, Champaign County	IL	8/22/2022	$425,000	155	$2,742
3	City of Orrick	Missouti American	City of Orrick, Ray County	MO	2/16/2022	$840,000	335	$2,507
4	City of Smithon	Missori American	City of Smithton, Pettis County	MO	5/9/2022	$565,000	225	$2,511
5	YES Companies EXP Fred, LLC	Illinois American	City of Peoria, Peoria County	IL	Pending	$56,000	253	$221
6	YES Companies EXP Fred, LLC	Illinois American	City of Peoria, Peoria County	IL	Pending	$26,000	212	$123
7	Country Meadows	Illinois American	Village of Swansea, St. Clair County	IL	2/1/2022	$400,000	230	$1,739
8	Village of Hardin	Illinois American	Village of Hardin, Calhoun County	IL	6/8/2022	$2,300,000	435	$5,287
9	City of Livingston	Illinois American	City of Livingston, Logan County	IL	8/19/2021	$550,000	375	$1,467
10	City of Rosiclare	Illinois American	City of Rosiclare, Hardin County	IL	5/1/2020	$480,000	525	$914
11	Village of Sidney	Illinois American	Village of Sidney, Champaign	IL	5/1/2020	$2,300,000	567	$4,056
12	Village of Andalusia	Illinois American	Village of Andalusia, Rock Island County	IL	5/1/2020	$1,800,000	490	$3,673
13	Village of Leonore	Illinois American	Village of Leonore, Rock Island County	IL	5/1/2020	$100,000	68	$1,471
14	City of Ironton	Missouri American	City of Ironton, Iron County	MO	12/13/2023	$2,000,000	726	$2,755
	Mean Sale Prices All					$1,038,714	366	$2,840

The sales in Missouri have a mean sale price per customer of $3,066 and the mean sale price per customer for the sales with less than 600 customers is $2,840 per customer. Sales 9A, 9B, 10, and 15 as identified in the first chart are the most similar to the subject property in terms of number of customers and are sales primarily of distribution systems and have sale price per customer of $123, $221, $1,739 and $711 per customer. Primary weight is placed on these transactions with lesser weight on other recent Missouri and Illinois sales. In the final analysis, each sale was viewed and compared individually on a qualitative basis based on appraiser judgment and experience with each of these systems.

(Continued)

Using unit prices that result from allocations are generally less reliable than sales of individual systems. And, in cases where one component of the system has an allocation substantially higher than the other component – it is important to use the allocations with caution as internal bookkeeping purposes may have been a factor in the diverse allocations.

We have concluded a unit value of $3,500 per water customer for the subject property water system. Based on the 133 reported water customers, the indicated value of the Johson County PWSD #3 Water System is $470,000, rounded, (FOUR HUNDRED SEVENTY THOUSAND DOLLARS).

SUMMARY OF WATER DELIVERY SYSTEM VALUATION	
No. of Water System Customers for Johnson County System	133
Unit Value (value per customer) Concluded from Market Data	$3,500
Value of Johnson County PWSD #3 Water Delivery System	**$470,000**

Income Capitalization Approach

The income capitalization approach has its strengths and weaknesses, similar to the inherent weaknesses and strengths that exist in the application of the cost approach and the market approach. The valuation expert's reconciliation of the value(s) indicated by the income approach takes into consideration various factors.

The income capitalization approach is a technique in which the value of assets are arrived at by capitalizing future (anticipated) benefits into a present value. The capitalization process includes one of two methods: (1) direct capitalization or (2) yield capitalization. The distinction between the two capitalization methods pertains to the perspective of the future benefits (cash flows).

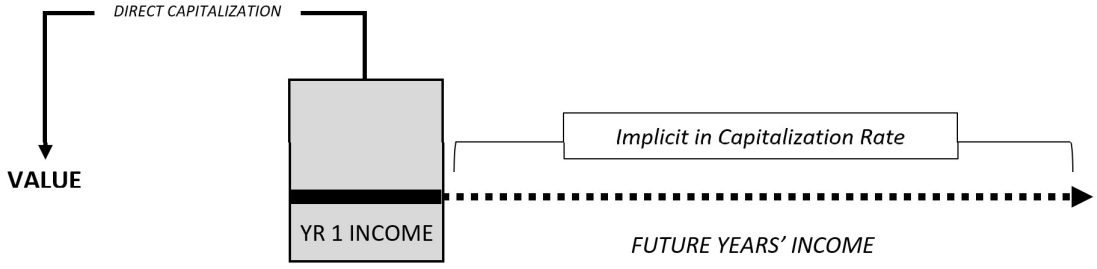
Direct Capitalization

Direct capitalization involves the conversion of a single-year's income (referred to as "first-year income") by applying an overall capitalization rate and using the following formula.

VALUE = INCOME ÷ RATE

*Where **INCOME** = First Year Income and **RATE** = Capitalization Rate*

The capitalization rate may be developed through a market extraction process or by utilizing built-up techniques in which the rates of return (dividend rates) of the respective property components are weighted (for example, debt and equity investment returns, land and building investment returns, etc.). In direct capitalization, change in value (over the investment/holding term) and change in income (over the investment/holding term) are implicit in the capitalization rate.



Income Capitalization Approach
(Continued)

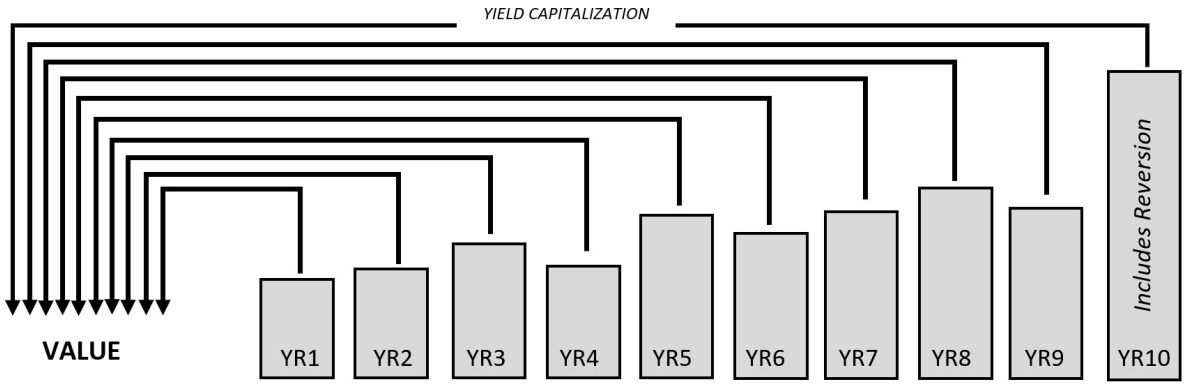
Yield Capitalization

Yield capitalization involves a more detailed analysis of the projected income of the asset. Anticipated changes in (1) income patterns and (2) overall value is explicitly stated. In yield capitalization, the conversion of each anticipated future cash flow (plus the reversion at the end of the income/investment period) is by means of discounting using a discount rate (also referred to as a yield rate). The resultant net present value is the sum of the present value calculations for each individual periodic cash flow plus the present value of the reversion.

Below is the formula for the discounting process followed by an illustration depicting the discounting of each individual periodic cash flow.

$$PV = \frac{P_1}{1+r} + \frac{P_2}{(1+r)^2} + \ldots + \frac{P_n}{(1+r)^n}$$

Where P = Income, r = discount rate, and n = term (years)



Income Capitalization Approach
(Continued)

Factors significant to the income capitalization methodology

A proper analysis in the valuation of a utility system will take into account the fact that there are many issues relating to the income capitalization process, whether that process includes direct capitalization or yield capitalization.

The issues that are inherent in the projection of cash flows for the income capitalization process pertaining to the valuation of public utility systems include:

(1) the fact that revenue (potential income) generated through customer rates is determined based upon the tariff or service area of which the subject system becomes part and impacted by rate cases;

(2) the changes in revenue resulting from changes in the level of income and expenses for the tariff resulting from, amongst other issues, the management and operational efficiencies of the IOU;

(3) changes in the rate base of the tariff resulting from acquisitions, mergers, and consolidations, and consequently the revenues that are generated by tariffs tend to experience irregular patterns of change over time;

(4) the changes in the rate base of the tariff resulting from qualified capital investment projects impacting systems within the tariff;

(5) the concept of *investment value* (value to a *particular* purchaser based on buyer-specific investment returns and criteria) v. *market value* (value of the system to a *typical* purchaser and not influenced by that particular buyer's specific returns generated by its respective tariffs).

The last factor (6) that impacts yield capitalization (DCF) exclusively goes to the issue of assumptions that are incorporated into the discounting model and how sensitive net present values can be to seemingly subtle variances in the valuation expert's inputs (DCF assumptions).

Additionally, yield capitalization models that use a pre-tax cash flow are not impacted by changes in tax rates and tax codes. However, after-tax DCF models can be affected by changing tax rates, similar to the situation that might occur in the near future based upon the current administration's proposed revisions to the federal tax code.

The following provides additional explanations regarding the issues inherent in the income capitalization approach.

Income Capitalization Approach
(Continued)

(1) Revenue influenced by systems in the tariff and rate cases

Tariffs often include assets from multiple systems, combined for investment, management, operational, and regulatory agency-influenced purposes. In many cases, the applicable customer rates are the same for all customers in the tariff, regardless of the system or service area of which they were part prior to acquisition and placement in the tariff; and the applicable customer rates for the tariff are impacted by financial and regulatory components for the systems in the tariff collectively. Thus, often there is no tariff revenue (income and expense) data that can be credibly attributed to one particular system that is part of a multiple-system tariff. Additionally, the customer rates (income) and operating expenses for one IOU may vary amongst that IOU's different tariffs, and likewise there may be no correlation between the projected income and expenses of a service area as part of one IOU's holdings as opposed to the projected income and expenses for that same service area that would pertain to a different IOU's tariff in the same general geographical location or market area.

Tariffs are highly regulated and changes in allowed revenues, and ultimately changes in rates, can be granted provided the applicant meets extensive application and regulatory requirements. Rate cases provide mechanisms for the applicants to have allowed revenues and customer rates adjusted by the regulating authority. It is the role of the regulating authority (commission, for example) to review the applicant's request and, assuming the applicant and its operations meet the requirements established by the agency, adjust the revenues and rates, if deemed appropriate by the agency, in an effort to provide the applicant the opportunity to receive a fair and reasonable rate of return on its investment. As part of the rate case process, IOUs are required to validate operating expenses and operational efficiencies, which contribute to the respective commission's decision and determination regarding a rate change. Rate cases can impact all of a tariff's customers -- even though the customers may have come from various independent service areas. Examples of approved rate cases impacting multiple service areas include the 2016 rate case in Illinois involving Illinois American Water[9] and the 2017 rate case in Illinois involving Aqua Illinois.[10]

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[9] In January 2016, Illinois American Water requested a change in its water and wastewater rates of $340 million, due to substantial capital investments including a $76 million investment in its Chicago Metro service area. The Illinois Commerce Commission (ICC) issued an Order in 2016 that allowed Illinois American Water to adjust its rates effective January 1, 2017. The Order provided a decrease in monthly water rates applicable to its customers in Arlington Heights, Bolingbrook, Des Plaines, Elk Grove, Homer Glen, Homer Township, Lemont, Lockport, Mount Prospect, Norwood Park Township, Orland Hills, Orland Park, Prospect Heights, Romeoville, Wheeling, and Woodridge; but, increases (ranging from $6.51 per month to $17.70 per month) for wastewater services. For Illinois American Water customers in Carol Stream, Elmhurst, Glen Ellyn, Lisle, Lisle Township, Lombard, Villa Park, Winfield, and Wheaton, the monthly water rates decreased by $5.57 while wastewater service rates had increases by up to $17.70 per month on top of the pre-existing rates; and, for its water customers in Glenview and Rolling Meadows, the wastewater rates increased by $6.57 per month.

[10] In May 2017, Aqua Illinois, Inc., filed revised tariff sheets with the Illinois Commerce Commission which included

Income Capitalization Approach
(Continued)

(2) Operational efficiencies impact income and expenses of the tariff

IOUs generate revenues for services provided by the IOU that are directly impacted by management and operational efficiencies. For example, it is reasonable to expect certain line-item expenses to be generally lower for a tariff consisting of multiple utility systems as compared to the sum of the line item expenses for each system if operated and managed independently. The ability of the IOU to spread certain costs among all customers in a tariff and to benefit from economies of scale generally results in a lower expense unit cost (cost per customer) for the individual systems; and the extent of the benefit tends to be greater for the smaller systems due to the economies of scale.

(3) Changes to the rate base and customer rates are impacted by mergers, acquisitions, and consolidations; revenue streams typically do not remain constant or demonstrate level/patterned increases

The rate base of a tariff is also subject to change if the IOU acquires additional systems that are incorporated into the tariff or by consolidation of two or more tariffs. In the latter, it is reasonable to expect some of the customers may experience increases in rates while others may experience decreases in rates. Also significant is the fact that rate changes often occur within the first few years of the service area's acquisition, demonstrated by the March 2021 consolidation of service areas in Missouri into the Elm Hills tariff.[11]
I have researched this issue in public filings and dockets in several states where IOUs have acquired public utility systems.

the request for increases in water and wastewater service rates affecting numerous service areas throughout Illinois and a consolidation of multiple service areas into one extensive service area. (Case 17-0259). In its Final Order, filed March 11, 2018, the Commission authorized Aqua to file new tariff sheets for its Consolidated Sewer Division and Consolidated Water Division and further amended the original cost of plant for the water division of more than $382 million and amended the original cost of the plant for the sewer division of more than $76 million.

[11] Four Missouri service areas -- Missouri Utilities, Rainbow Acres, State Park Village, and Twin Oaks -- were acquired between May 2018 and December 2018. In each case, the rate change and consolidation occurred within 3 years of the acquisitions. Substantial rate increases were also realized for the service areas that comprise the Elm Hills tariff. The four service areas had monthly rates from $3.18 (applies to Twin Oaks/Preserve and is estimated as the customers were not previously individually billed for sewer service) to $45 per month (State Park Village), and all customer rates were set at $99.88 per month as a result of the consolidation.

Income Capitalization Approach
(Continued)

Some of the additional relevant recent examples include a Missouri rate case from 2020[12], a pending case in Missouri for establishing a new service area[13], and a Missouri consolidation including recent (2021) acquisitions by the consolidated district[14].

(4) Changes to the rate base impacted by capital improvements

Qualifying capital investments can impact the rate base of a tariff that consequently could impact all of the customers within the tariff. For instance, a substantial capital investment program to replace, repair, or add infrastructure to a particular system's assets can, subject to regulatory approval, have a direct influence on all of the customers in the tariff, including those customers from different systems that are not the subject of the capital investment project. Consequently, customer rates for one service area in a tariff are subject to change over time based upon qualifying capital projects necessary for the maintenance and/or improvements to other service areas in the tariff.

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[12] On April 7, 2021, the State of Missouri Public Service Commission issued an ORDER APPROVING STIPULATION AND AGREEMENT for the matter of Missouri American Water's 2020 application to implement a general rate increase for water and sewer services in its Missouri service areas. (Case No. WR-2020-0344.) The stipulation, filed on March 5, 2021, provides for an increase in Missouri American Water's revenue requirement of $30 million over revenues authorized in its last general rate case. The $30 million increase results in Missouri American Water's annual revenue requirement being increased to $348 million. The Commission's Order became effective May 7, 2021.

[13] An example of a possible change in customer rates is evident in the docket filing by Missouri American Water of its PROPOSAL OFFER TO CITY OF HALLSVILLE dated July 18, 2019. (File No. SA-2021-0017.) On July 20, 2020, Missouri American Water filed its application for a certificate of convenience and necessity (CCN) to essentially operate a wastewater system in and near Hallsville, Missouri. In its offer to Hallsville, Missouri American Water proposed placing the City of Hallsville system in its existing tariff that would result in a 3% reduction in the Hallsville customer rates.

[14] 12 utility service areas located in Missouri that were consolidated in a July 2020 rate case into a tariff known as Confluence Rivers. All 12 service areas that comprise the Confluence Rivers tariff were purchased between April 2019 and June 2019. In each case, consolidation and rate change occurred less than 16 months after the system's acquisition date. The 12 service areas (systems) include the Auburn Lake Service Area, the Calvey Brook Service Area, the City of Eugene Service Area, the Evergreen Lake Subdivision Service Area, the Whispering Pines Subdivision Service Area (formerly Gladlo), the Lake Virginia Service Area, the Majestic Lakes Service Area, the Mill Creek Service Area, the Roy-L Service Area, the Bon-Gor Lake Estates Subdivision Service Area (formerly Smithview H2O), the Villa Ridge Service Area, and Chalet City West Subdivision/Alpine Village Community Service Area (formerly The Willows Utility Company). The rate changes for the service areas that comprise the Confluence Rivers Service Area ranged from increases of approximately 127% (Roy-L) to 807% (The Willows Utility System).
Examples of customer rate increases for systems in Confluence Rivers include the Evergreen Lake Subdivision Service Area (water system) in which rates were increased from $7.71 per month to $42.20 per month and The Willows Utility Company (water system) in which rates were $5.23 per month and increased to $42.20 per month as a result of the consolidation and rate case. On May 3, 2021, the Missouri Public Service Commission approved the acquisition of five additional systems by the Company (Branson Cedars Resort Utility Company, DeGuire Subdivision, Freeman Hills Subdivision, Prairie Heights Water Company, and Terre du Lac.

Income Capitalization Approach
(Continued)

Capital Improvement Projects (CIPs) often can add substantially to the total investment of an IOU in an acquired service area or utility system. In the case of the proposal by Missouri American Water to acquire the City of Hallsville wastewater system, the proposal offer included a $2 million cash purchase price payable at closing with an additional $3.3 million committed to a five-year CIP. In this case, the CIP represented 62% of the total anticipated investment.

Another important consideration relating to CIPs and their impact on potential revenue streams over an investment period is that very often the actual investments by the IOU can be considerably higher or lower than the anticipated or projected investments prior to acquisition. For instance, a CIP might require less than anticipated based solely on more efficient management and operations due to IOU ownership after acquisition; or, the CIP might include substantially more investment than projected based upon an acquired system operating at levels that exceed capacity -- which might require substantial upgrades and improvements not contemplated at the time the Asset Purchase Agreement was executed.

(5) Investment Value v. Market Value

Implicit in the definition of market value is the concept that the value conclusion pertains to “typical” purchasers under “typical” circumstances based upon “typical” market forces and influences. Investment value, by contrast, is an opinion of value developed based upon particular investment criteria, returns, or requirements that are unique and/or specific to an investor and not necessarily representative of the market in general. If the objective of the valuation assignment is to develop a market value opinion, discounted cash flow analysis and other yield capitalization models must, by definition, incorporate and be based upon *market* inputs: market income levels, market expense ratios, market returns for the investors, etc.

Utilizing a system’s projected income for a specific purchaser, based upon that purchaser’s anticipated income resulting from that purchaser’s tariff, and using that investor’s projected increases and/or decreases in income and expenses, respectively, during the investment period, and based upon that investor’s allowed rate of return for the investment period, may or may not be consistent with market levels for the same inputs (income, expenses, periodic rates of change, rate of return, etc.). If the investor’s particular income and expense projections are not consistent with or based upon market levels, the resultant value opinion would be *investment* value.

Income Capitalization Approach
(Continued)

(6) Sensitivity inherent in DCF analysis

Discounted cash flow analysis (DCF) is a method of yield capitalization in which anticipated/projected future cash flows, identified for a particular investment period, are discounted to a present value, often referred to as a net present value. The process requires several investment assumptions, all of which impact the level of periodic cash flows and the net present value of the investment as a whole.

Seemingly insignificant changes in one input can have a significant impact on the final calculation/opinion; and changes in multiple assumptions can compound the effect of the change on the conclusions.

Conclusion of DCF analysis

DCF analysis is sensitive to subtle changes in the assumptions. Valuation experts need to exercise caution in selecting inputs (assumptions) as what seemingly are small/insignificant changes in the inputs can have a significant impact on the final conclusion. Credible assignment results for a market value opinion using DCF requires careful analysis of comparable market data to assist in determining appropriate assumptions.

Summary of Income Approach

The Income Capitalization Approach is not considered applicable in the subject property valuation assignment. It is not possible to project accurate and credible cash flows for the subject property system due to the number of variables that are unknown. Projecting future cash flows attributable to the subject property would not be realistic or credible and could result in assignment results that are misleading.

Final Reconciliation

The purpose of this appraisal report was to arrive at an estimate of market value for the Johnson County PWSD #3 water distribution system based upon conditions evident in the market as of March 8, 2024. We inspected the subject property, reviewed numerous reports and documents provided by the client and the Johnson County PWSD, conducted research with regard to land values and easement valuation, and reviewed a report prepared by Hartman Consultants, LLC.

This appraisal employs the Cost Approach and the Sales Comparison Approach. Based on our analysis and knowledge of the subject property type and relevant investor profiles, it is our opinion that these approaches should be considered applicable and/or necessary for market participants. Because the subject property is a specialized use, it is one that is not typically marketed, purchased or sold on the basis of anticipated income. Therefore, we have not employed the Income Capitalization Approach to develop an opinion of market value. The exclusion of this approach to value does not reduce the credibility of the assignment results.

We gave most weight to the Sales Comparison Approach because this mirrors the methodology used by purchasers of this property type. Based on the subject's current condition, the Cost Approach is considered an appropriate valuation approach and provides a check on the reasonableness of the Sales Comparison Approach.

The Sales Comparison Approach included an analysis of transactions from Missouri and transactions from Illinois. As explained in this report, the Illinois market is more representative of a competitive market with balance the supply and demand forces. The Sales Comparison Approach resulted in an opinion of value of $470,000 for the subject property water distribution system.

The Cost Approach included the analysis and valuation of the system by its components: land (fee owned parcels and permanent easement), and facilities/infrastructure associated with the water distribution system. The Cost Approach resulted in a conclusion of value for the subject property water system of $880,000.

Based upon a review of the market data available for both applications, we have concluded that primary emphasis should be placed on the value opinions indicated by the Sales Comparison Approach. The Cost Approach was relied on but was considered to be a check for reasonableness and not as reliable due to the age and condition of the system and the difficulty in quantifying the depreciation inherent in the system. Therefore, the cost approach is not considered to be as reliable as the Sales Comparison Approach. Therefore, our final value opinion for the subject property system, is as follows:

$600,000
SIX HUNDRED THOUSAND DOLLARS

This valuation opinion is developed subject to the extraordinary assumptions, hypothetical conditions, and the statement of limiting conditions contained in this appraisal report.

Statement of Certification – Jim Hendren

I certify that, to the best of my knowledge and belief:

- -- the statements of fact contained in this report are true and correct.
- -- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- -- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- -- I have not completed a real estate appraisal of the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- -- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- -- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- -- my compensation for completing this assignment is not contingent upon the developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- -- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and in conformity with the requirements of the *Code of Professional Ethics* and the *Standards of Professional Appraisal Practice* of the Appraisal Institute.
- -- I have made a personal inspection of the property that is the subject of this report.
- -- no one other than Jordan Leiner, Elizabeth W. West, Elizabeth Goodman Schneider and Edward Dinan provided significant real property professional assistance to the person signing this certification.

As of the date of this report, Jim Hendren has completed the requirements of the continuing education program of the Appraisal Institute.

Furthermore, I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

August 29, 2024

General Certification Lic. #RA001040 (MO; Expires 06/26)

Statement of Certification – Elizabeth Goodman-Schneider

I certify that, to the best of my knowledge and belief:

The statements of fact contained in this report are true and correct.

The analyses, opinions, and conclusions in this review report are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.

I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.

I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.

My engagement in this assignment was not contingent upon developing or reporting predetermined results.

My compensation for completing this assignment is not contingent upon the development or reporting of a predetermined value or direction in value that favor the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.

My analyses, opinions, and conclusions were developed and this appraisal report was prepared in conformity with the *Uniform Standards of Professional Appraisal Practice*.

Elizabeth Goodman Schneider made a personal inspection of the property that is the subject of this appraisal report.

No one other than Jordan Leiner, Elizabeth S. West, Jim Hendren, and Edward Dinan provided significant real property appraisal assistance to the person signing this certification.

My engagement for this assignment, and my conclusions as well as other opinions expressed herein are not based on a required minimum value, a specific value, or approval of a loan.

Elizabeth Goodman Schneider has performed no services, as an appraiser or in any other capacity, regarding the property that is the subject of this appraisal report within the past three-year period immediately preceding acceptance of this assignment.

As of the date of this report, Elizabeth Goodman Schneider has completed the continuing education programs of the State of Missouri and the State of Wisconsin.

All individuals who participated in the preparation of this report and who are Senior Members of the American Society of Appraisers are recertified as required by the mandatory recertification as set out in the constitution by-laws and administrative rules of the American Society of Appraisers.

Elizabeth Goodman Schneider, ASA

Florida State Certified General Real Estate Appraiser No. RZ4093 exp 11/30/2024
Illinois Certified General Real Estate Appraiser No. 553-001973 exp 9/30/2025
Iowa Certified General Appraiser No. CG02980 exp 6/30/2026
Louisiana Certified General Appraiser No. APR.04505-CGA exp 12/31/2025
Missouri State Certified General Real Estate Appraiser No. 2016042105 exp 6/30/2026
Wisconsin Certified General Appraiser No. 1586-010 exp 12/14/2025

Statement of Certification – Edward Dinan, MAI, CRE®

I certify that, to the best of my knowledge and belief:

- -- the statements of fact contained in this report are true and correct.
- -- the reported analyses, opinions, and conclusions are limited only by the reported assumptions and limiting conditions and are my personal, impartial, and unbiased professional analyses, opinions, and conclusions.
- -- I have no present or prospective interest in the property that is the subject of this report and no personal interest with respect to the parties involved.
- -- I have not completed a real estate appraisal of the property that is the subject of this report within the three-year period immediately preceding acceptance of this assignment.
- -- I have no bias with respect to the property that is the subject of this report or to the parties involved with this assignment.
- -- my engagement in this assignment was not contingent upon developing or reporting predetermined results.
- -- my compensation for completing this assignment is not contingent upon the developing or reporting of a predetermined value or direction in value that favors the cause of the client, the amount of the value opinion, the attainment of a stipulated result, or the occurrence of a subsequent event directly related to the intended use of this appraisal.
- -- my analyses, opinions, and conclusions were developed, and this report has been prepared, in conformity with the *Uniform Standards of Professional Appraisal Practice* and in conformity with the requirements of the *Code of Professional Ethics* and the *Standards of Professional Appraisal Practice* of the Appraisal Institute.
- -- I have not made a personal inspection of the property that is the subject of this report. Elizabeth S. West, MAI, CRE and Jordan Leiner have made a personal inspection of the subject property.
- -- no one other than Jordan Leiner, Elizabeth W. West, MAI, CRE®, Elizabeth Goodman Schneider and Jim Hendren provided significant real property professional assistance to the person signing this certification.

As of the date of this report, Edward Dinan, MAI, CRE® has completed the requirements of the continuing education program of the Appraisal Institute.

Furthermore, I certify that the use of this report is subject to the requirements of the Appraisal Institute relating to review by its duly authorized representatives.

August 29, 2024

Edward W. Dinan, MAI, CRE®
Dinan Real Estate Advisors, Inc.

ADDENDA

Statement of Assumptions and Limiting Conditions

Qualifications of the Appraisers

Hartman Consultants, LLC Report

Glossary of Terms

STATEMENT OF ASSUMPTION AND LIMITING CONDITIONS

The value herein estimated and/or other opinions presented are predicated on the following:

1. No responsibility is assumed for matters of a legal nature concerning the appraised property -- especially those affecting title. It is considered that the title is marketable for purposes of this report. The legal description as used herein is assumed to be correct.

2. The improvement is considered to be within the lot lines (unless otherwise stated); and, except as herein noted, is presumed to be in accordance with local zoning and building ordinances. Any plots, diagrams, and drawings found herein are to facilitate and aid the reader in picturing the subject property and are not meant to be used as references in matters of survey.

3. The appraiser assumes that there are no hidden or unapparent conditions of the property, subsoil or structure which would render it more or less valuable than otherwise comparable properties. The appraiser assumes no responsibility for such conditions or for engineering which might be required to discover such things.

4. Any description herein of the physical condition of improvements including, but not limited to, the heating, plumbing, and electrical systems, is based on visual inspection only, with no demonstration performed, and they are thus assumed to be in normal working condition. No liability is assumed for same, nor for the soundness of structural members for which no engineering tests were made.

5. The appraiser shall not be required to give testimony or appear in court by reason of this appraisal with reference to the property herein described unless prior arrangements have been made.

6. The distribution of total valuation in this report between land and improvements applies only under the existing program of utilization under the conditions stated. This appraisal and the allocations of land and building values should not be used as a reference for any other purpose and are invalid if used so.

7. That this report is to be used in its entirety and only for the purpose for which it was rendered.

8. Information, estimates, and opinions furnished to us and considered in this report were obtained from sources considered reliable and believed to be true and correct; however, no responsibility for guaranteed accuracy can be assumed by the appraiser.

9. The property is appraised as though under responsible ownership and competent management.

10. The report rendered herein is based upon the premise that the property is free and clear of all encumbrances, all mortgage indebtedness, special assessments, and liens--unless specifically set forth in the description of property rights appraised.

11. No part of this report is to be reproduced or published without the consent of its author.

12. The appraisal covers only the property described herein. Neither the figures therein, nor any analysis thereof, nor any unit values thereof derived, are to be construed as applicable to any other property, however similar it may be.

13. Neither all, nor any part, of the contents of this report, or copy thereof, shall be used for any purpose by any but the client without the previous written consent of the appraiser and/or the client; nor shall it be conveyed by any including the client to the public through advertising, public relations, news, sales, or other media, without the written consent and approval of the author--particularly as to value conclusions, the identity of the appraiser or a firm with which he is connected, or any reference to any professional society or institute or any initialed designations conferred upon the appraiser, as stated in his qualifications attached hereto.

14. Any cash flow calculations included in this report are developed from but one of a few alternatives of a possible series and are presented in that context only. Specific tax counsel should be sought from a C.P.A., or attorney, for confirmation that this data is the best alternative. This is advised since a change in value allocation, method or rate of depreciation or financing will have consequences in the taxable income.

15. This appraisal has been made in accordance with the Code of Ethics of the Appraisal Institute.

16. This report has not taken into consideration the possibility of the existence of asbestos, PCB transformers, or other toxic, hazardous or contaminated substances, and/or underground storage tanks (hazardous materials), or the cost of encapsulation or removal thereof. Should client have concern over the existence of such substances on the property, the appraiser considers it imperative for the client to retain the services of a qualified, independent engineer or contractor to determine the existence and extent of any hazardous materials, as well as the cost associated with any required or desirable treatment or removal thereof. The valuation stated herein would therefore be void, and would require further analysis to arrive at a market estimate of value.

QUALIFICATIONS SUMMARY

JAMES A. HENDREN
CERTIFIED GENERAL REAL ESTATE APPRAISER MID AMERICA
LAND SERVICES, INC.
802 N. PROVIDENCE RD. COLUMBIA, MO 65203
573-442-5214
EMAIL: jim@midamland.com

GENERAL:

Founder/President, Mid America Land Services, Inc., since May, 1986 Own/manage fanns in Boone, Caldwell, Sullivan, and Macon Counties, Missouri
Own/manage commercial properties in Boone, Daviess and Saline Counties, Missouri Owner/Broker Jim Hendren Real Estate, 1982-86
Manager, Bell Investment Company (mortgage banker), Columbia Regional Office, 1978-82 Covered Missouri, southern Iowa, western Illinois and western Kentucky
Associate Manager, Federal Land Bank, northeast Missouri, 1976-78

PROFESSIONAL:

Member, Missouri Real Estate Appraisers Commission, January, 2002-March, 2005 State Certified General Real Estate Appraiser, No. RA001040 (Missouri)
General Real Estate Property Appraiser, CG01235 (Iowa) Licensed Real Estate Broker (Missouri)

EDUCATIONAL ACTIVITIES:

Bachelors Degree, Agriculture, University of Missouri, 1970 Master Degree, Ag Economics, University of Missouri, 1976

APPRAISAL COURSES:

Real Estate Appraisal Principles, American Institute Real Estate Appraisers Standards and Professional Practices, American Institute Real Estate Appraisers Over 200 hours of appraisal and real estate continuing education courses
Attended numerous seminars on appraisal problems and techniques presented by Federal Land Bank, MONY, Missouri Society Farms Managers and Rural Appraisers and Missouri Department of Transportation
Uniform Appraisal Standards for Federal Land Acquisition, i.e., Yellow Book
Valuation of Conservation Easements, sponsored by Appraisal Institute, ASFMRA, ASA

PARTIAL LIST OF CLIENTS SERVED:

Missouri Department of Transportation
Missouri Department of Conservation, Missouri Department of Natural Resources
USDA/NRCS/FSA
Ozark Land Trust, Inc.
The Nature Conservancy
City of Kirksville, City of Hannibal, City of Warrensburg, City of Bevier
US Banks, Commerce Bank, Great Western Banks, First Community Banks, Bank of Kirksville, Wells Fargo, Putnam County State Bank; and
Numerous other banks, insurance companies, attorneys and individuals

DINAN REAL ESTATE ADVISORS, INC.

EDWARD W. DINAN, MAI, CRE®
PRESIDENT

ACADEMIC

Rockhurst College, Kansas City, Missouri, A.B., 1972
American Institute of Real Estate Appraisers
Course 1A, Memphis State University- May 1975
Course 1B, Tulane University - July 1975
Course II, University of Georgia - February 1976
Course VI, Chicago Education Center - March 1977
Appraisal Institute
Standards of Professional Practice, Parts A and B
Seminars include: Cash Equivalency, Subdivision Analysis, Rates Ratios and Reasonableness, Feasibility, Valuation of Leasehold Interests., Americans with Disability Act Review, Condemnation Process and Appraisal, Condemnation Appraising: Advanced Topics and Applications, Standards of Professional Practice, Parts A and B, Corridors And Rights-Of-Way II Symposium Valuation and Policy
Harvard Law School, Program of Instruction for Lawyers
Advanced Negotiation: Deal Design and Implementation
University of Houston
Dispute Resolution Institute

EXPERIENCE

Professional experience includes market and financial feasibility studies, highest and best use analyses, transient housing and convention market surveys, analysis of redevelopment potential of existing communities, lease analysis and consultation, as well as the appraisal and evaluation of many types of properties including:

Airports
Apartments (high rise, garden, townhouse)
Banks
Casinos
Cemeteries
Condemnation Appraisals
Condominiums/Coop timeshare
Duck Clubs
Farms
Golf Courses/Country Clubs
Hotels and Motels
Industrial Plants and Warehouses
Mobile Home Parks
Office Buildings
Planned Communities
Quarries/Mines
Railroad Properti.es
Resorts
Restaurants
Sales and Service Buildings
Schools (private, parochial., secondary., higher education)
Shopping Centers (regional, community, neighborhood)
Single Family Residential
Special Use Properties
Subdivisions
Surgical Centers
Theaters
Urban Renewal (acquisition, reuse)
Vacant Land (commercial., industrial, residential, rural, agricultur.al},
Vessels

Email: edinan@dinanreal.com

2023 South Big Bend Boulevard •Saint Louis, Missouri •314-647-9900•Fax 314-647-9922

In addition, Mr. Dinan has been approved as a fee appraiser for the U.S. Department of Justice, Missouri Department of Natural Resources, Missouri Department of Highways and Transportation, Illinois Department of Transportation, Probate Court of St. Louis City, as well as FNMA., FD.IC, RTC, HUD, SBA, OTS, along with numerous other governmental agencies and is qualified in court as an expert witness. Mr. Dinan has also served as a hearing officer for the St. Louis County Board of Equalization.

Prior to forming Dinan Real Estate Advisors, Inc.., Mr. Dinan was employed by the Turley Martin Company as Vice President of their Consulting and Appraising Division. Mr. Dinan has also participated as a guest lecturer on real estate appraising at Washington University, as well as several seminars sponsored jointly by the University of Missouri - St Louis and the Home Builders Association of Greater St. Louis, Counselors of Real Estate®, and Law Seminars International. In addition, Mr. Dinan is approved as an instructor for the Missouri Real Estate Commission's Continuing Education Program, and has been a lectured speaker for the Bar Association of Metropolitan St. Louis. Mr. Dinan has also delivered seminars on appraisal reviews to loan officers at several financial institutions in the St. Louis area.

GEOGRAPHICAL AREAS OF EXPERIENCE

Territory covered is primarily Metropolitan St. Louis, but also includes professional experience in the following 27 states: Arizona, Arkansas, California, Colorado, Connecticut, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Mississippi, Missouri Nebraska, New York, Ohio, Oklahoma, Pennsylvania., South Carolina, South Dakota, Tennessee, Texas, Virginia, Wisconsin and Wyoming.

PROFESSIONAL AFFILIATION

Mr. Dinan has held virtually every position as an officer and has served on the Board of Directors for the local chapter of the Appraisal Institute. In 1990, Mr. Dinan served as President of the former American Institute of Real Estate Appraisers and coordinated its unification with the local Society Chapter. Mr. Dinan also served as a Regional Representative for Region II of the Appraisal Institute. Mr. Dinan currently serves on the Board of Directors and is a National Liaison Membership Chair for the Counselors of Real Estate® as well as serving on the Advisory Board of Great Southern Bank. In addition, Mr. Dinan has the following affiliations:

Counselor of Real Estate® - 1996
- 201D National Chairman - Dispute Resolution
- 2011 National Liaison Vice Chair
- 2011 National Co-Chair - Litigation Support
- 2012-2017 Board of Directors
- 2013 Recipient of the Chairs Award presented by The Counselors of IReal Estate
- 2013 -2014 National liaison Membership Chair

Appraisal Institute MAI Designation, Certificate Number 6103 -1980
St. Louis Association of Realtors
Royal Institution of Chartered Surveyors – 2006

ELIZABETH GOODMAN SCHNEIDER, ASA

goodmanappraisal@gmail.com • 414-559-5898 • www.linkedin.com/in/elizabethgoodmanschneider

CERTIFIED GENERAL APPRAISER

Certified General Appraiser with 35 years experience in utility appraisal, commercial appraisal and appraisal review.

- Significant experience using the cost, market/sales and income approaches to value.
- Outstanding analytical skills.
- Superior oral and written communication.
- Public utility appraisal experience totaling 35 years.
- Knowledge of appraisals of commercial property types obtained through reviewing real property appraisals.

Public utility appraisal experience of the following property types:

- Water Systems
- Wastewater/Sewer Systems
- Hydroelectric Plants
- Natural Gas Pipelines
- lp Gas Pipelines
- Oil Pipelines
- Products Pipelines
- Gas Transmission Assets
- Gas Distribution Assets
- Electric Transmission Assets
- Electric Distribution Assets
- Coal-Fired Power Plants
- Gas-Fired Power Plants
- Nuclear Power Plants
- Telecommunication Assets

Appraisal review experience of the following property types:

- Water Systems
- Wastewater/Sewer Systems
- Multi-Family
- Public Utilities
- Retail
- Office
- Commercial Condominium
- Industrial Condominium
- Office Condominiums
- Residential Condominium Units
- Retail Condominiums
- Shopping Centers
- Small Marinas
- Mobile Home Parks
- Subdivisions
- Industrial / Warehouse
- Mixed-Use
- Vacant Land
- Restaurant
- Tavern
- Funeral Home
- Day Care Center
- Special Purpose Property

PROFESSIONAL EXPERIENCE

PRESIDENT AND OWNER, Goodman Appraisal Consultants LLC, Cudahy, WI. 2010 to present

Goodman Appraisal Consultants provides valuation of public utilities including water and wastewater/sewer systems as well as commercial real estate appraisal review services.

- Appraisals of water and wastewater/sewer systems for purchase.
- Appraisals of public utilities and desktop technical appraisal reviews.
- Use of the Cost, Sales Comparison, and Income Approaches to Value.
- Consistently increasing experience with different real property types through reviews of real property appraisals completed by many different appraisers and appraisal firms.

SENIOR ASSOCIATE, AUS Consultants, Greenfield, WI. 1989 to 2011

AUS Consultants provides ad valorem valuation of public utilities. As Senior Associate at AUS Consultants, I performed and assisted with appraisals of public utility property for property tax purposes in a number of states.

- Pursued appropriate licensing and became the only Certified General Appraiser employed by the company.
- Increasing responsibility and autonomy.
- Experience with attorneys as clients.

LICENSES

- State-Certified General Real Estate Appraiser, State of Florida, #RZ4093, exp 11/30/2024
- Certified General Real Estate Appraiser, State of Illinois, #553.001973, exp 9/30/2025
- Certified General Appraiser, State of Louisiana, #APR.04505-CGA, exp 12/31/2025
- Certified General Appraiser, State of Iowa, No. CG04095 exp. 6/30/2026
- State Certified General Real Estate Appraiser, State of Missouri, #2016042105, exp 6/30/2026
- Certified General Appraiser, State of Wisconsin, #1586-010, exp 12/14/2025

CREDENTIALS & PROFESSIONAL AFFILIATIONS

- ASA - Machinery and Technical Specialties - Public Utilities, American Society of Appraisers
- SBA Going Concern Registry
- Accredited Senior Appraiser - American Society of Appraisers, #41144
- National Association of Water Companies - Illinois Chapter Associate Member
- American Water Works Association - Member #03443739
- Board of Directors - Appraisal Institute, Wisconsin Chapter, 2017
- General Associate Liaison - Appraisal Institute, Wisconsin Chapter, 2010 to 2014
- Nominating Committee Member - Appraisal Institute, Region III, 2011 to 2013

EDUCATION

Master of Arts in Economics, University of Wisconsin – Milwaukee. Completed in 2003.
Specializing in monetary policy and labor relations.

Bachelor of Arts in Economics, University of Wisconsin – Milwaukee. Completed in 1998.
Honors in the Major. Appointed to the Dean's Advisory Council.

CONTACT INFORMATION

Elizabeth Goodman Schneider
6260 S Lake Dr #718, Cudahy, WI 53110
414-559-5898
goodmanappraisal@gmail.com

WISCONSIN CERTIFIED GENERAL APPRAISER LICENSE

EXPIRES: 12/14/2023

NO. 1586 - 10

The State of Wisconsin
Department of Safety and Professional Services

Hereby certifies that

ELIZABETH KATHLEEN COMTE GOODMAN SCHNEIDER

was granted a certificate to practice as a

CERTIFIED GENERAL APPRAISER ELIGIBLE TO APPRAISE FEDERALLY RELATED TRANSACTIONS IS AQB COMPLIANT

in the State of Wisconsin in accordance with Wisconsin Law on the 21st day of November in the year 2008.

The authority granted herein must be renewed each biennium by the granting authority.

In witness thereof, the State of Wisconsin Department of Safety and Professional Services has caused this certificate to be issued under its official seal.

Dawn B. Mix
DSPS Secretary

This certificate was printed on the 8th day of February in the year 2022

MISSOURI CERTIFIED GENERAL APPRAISER LICENSE

Engineer's Report

Concerning The

Johnson County Public Water Supply District #3

West Side of SR 13 Bypass

Water System Segment

Updated For Flush Blow-Offs, Valves, and New PWSD #2 Data

For

Goodman Appraisal Consultants, LLC

Effective Date: March 8, 2024

Date of Report: August 23, 2024

HC #: 24011.00

Prepared by: **Hartman Consultants, LLC**
1580 Bryan Avenue
Winter Park, Florida 32789

Hartman Consultants, LLC
www.hartmanconsultant.com

HC #24011.00

August 23, 2024

Mrs. Elizabeth Goodman Schneider, ASA
Goodman Appraisal Consultants, LLC
6260 S. Lake Drive, Unit #718
Cudahy, WI 53110

RE: Engineer's Report - Johnson County PWSD #3
West Side of SR 13 Bypass Water System Segment
Updated for Flush Blow-Offs, Valves, and PWSD #2 Data

Dear Mrs. Goodman Schneider:

A) BACKGROUND

This is the Engineer's Report for the above-referenced facilities. Hartman Consultants, LLC (HC) research and inspection (March 8, 2024) has resulted in the following findings:

- This segment of the water system has two to three main breaks per year.
- This segment of the water system is in general compliance with the applicable regulations.
- This segment of the water system is supplied by four (4) eight (8) inch interconnections under the Highway 13 Bypass from the eastern portion of PWSD #3.
- This segment of PWSD #3 does not have the fire protection desired by the newer subdivisions being built that MAWC serves.
- MAWC has larger water mains and is adjacent to this segment.
- The Highway 13 Bypass is a good service area boundary between MAWC and PWSD #3.
- The MAWC purchase will alleviate any service area disputes between the two water supply entities.
- Generally, the PWSD #3 facilities are substandard in comparison with the MAWC facilities.
- Both water systems are well run with good operations.
- MAWC's initial offer to purchase was for $300,000 (June 20, 2023) versus the PWSD #3 counteroffer of $606,788 (July 6, 2023).
- PWSD #3 has 133 customers, predominantly residential, with few commercial customers.

The purpose of this Engineer's Report is to provide a public utility USPAP type partial replacement cost new less engineering depreciation (RCNLD) without land or easement values to the retained appraisers for their use in determining an opinion of value.

The service area includes sub-systems to be acquired, as shown on Exhibits A and B following this page. Ranchero Estates and Indian Point are shown on Exhibits C and D.

There are four (4) classified areas being purchased, including:

• Ranchero Estates	@	12,830	LF
• Indian Point	@	3,941	LF
• Country View Lane	@	1,524	LF
• Rural Area	@	35,059	LF
Total Footage	@	53,352	LF

These areas have 130 of 133 customers listed. The water main installation date and meter installation dates are shown on the following seven (7) pages.

Flush blow-offs and hydrants totaling twenty (20) installations (see maps). Values at 2"- 9, 3"- 9, 6"- 3, 8"- 1 as provided by PWSD #3.

RANCHERO ESTATES

Name	Srv Add	Water Main Installation Year	Meter Installation Date
SUDHOLT, ANDREW	DEVASHER RD, 403	1987	8/27/2018
COMPASS HEALTH (NEW)	N DEVASHER RD, 701	1987	10/10/2023
DORSEY, PAUL AND KAREN	NE 231 RD, 40	1987	7/18/2018
OLLISON, TROY	NE 231 RD, 41	1987	7/18/2018
MCVEY, VERA	NE 231 RD, 46	1987	8/11/2022
CHRISTENSEN, GARRETT	NE231RD,51	1987	7/18/2018
CHRISTENSEN,GARRETT	NE 231 RD, 51 (BARN)	1987	7/19/2018
MCDONOUGH,ROBERT	NE 231 RD, 56	1987	7/18/2018
BAY,KRISTA	NE 231 RD, 57	1987	8/11/2022
LAUFER, MARY	NE 231 RD, 58	1987	8/13/2018
JONES, RANDY AND JEANIE	NE 231 RD, 60	1987	8/10/2018
SCHICK, CARMEN AND CARL	NE 231 RD, 61	1987	7/19/2018
ABINGTON, MIKE	NE 35 RD, 230	1987	7/19/2018
HAMMONS, ANNA	NE 35 RD, 240	1987	7/19/2018
CORONA, RENE	NE 35 RD, 247	1987	7/19/2018
LONG, GEORGES	NE 35 RD, 252	1987	7/19/2018
MYERS, SCOTT AND CYNTHIA	NE 35 RD, 253	1987	7/19/2018
HACKLER, JESSICA & DEVIN	NE 35 RD, 254	1987	7/19/2018
ELSBERRY, VERNON AND JUDY	NE 35 RD, 264	1987	7/19/2018
COLLINS, JOHN AND TERESA	NE 35 RD, 275	1987	7/19/2018
CAMERON, BRANDON	NE 35 RD, 276	1987	7/19/2018
SIMMONS, TERRY	NE 35 RD, 280	1987	7/19/2018
OSBORNE, PAUL AND JUDY	NE 50 HWY, 276	1990	8/11/2022
ELLIOTT, LARRY C	NE 50 HWY, 280	1987	8/11/2022
BARNHART, CJ	NE 65 RD, 209	1987	8/2/2018
WARREN, ELMER	NE 65 RD, 229	1987	8/2/2018
BORN, GREG	NE 65 RD, 234	1987	8/2/2018
RYSSMANN, THEODORE AND J	NE 85 RD, 216	1987	8/2/2018

FRITO-LAY	NE 85 RD, 219	1987	8/8/2018
MARTINEZ, KRISTI	NE 85 RD, 230 #1	1987	8/8/2018
ANDERSON, NANCY	NE 85 RD, 230 #2	1987	8/8/2018
LOZAR, JASON	NE 85 RD, 240	1987	8/8/2018
GUINN, DENVER	NE 85 RD, 244	1987	8/8/2018
SMEAD,JOHN	NE 85 RD, 247	1987	8/2/2018
JONES, BRYAN	NE 85 RD, 249	1987	8/8/2018
USTORALL	NE 95 RD, 218	1987	9/19/2022
PINNACLE PROPANE	NE 95 RD, 230	1987	9/19/2022
COMPASS HEALTH, INC	NE DEVASHER RD, 703	1987	9/19/2022
GLADISH, TIM	REDWOOD, 1902	1987	8/8/2018
PARK, AMY & MONTI	RIATA RD, 1904	1987	9/24/2020

TOTAL METERS	41	
TOTAL FOOTAGE	12,830	
8" WATER MAIN	2,851	INSTALLED 2009
3" WATER MAINS	9,979	INSTALLED 1987

INDIAN POINT

Name	Srv Add	Water Main Installation Year	Meter Installation Date
TARAN,LUKE	SE 141 RD, 216	2007	4/25/2019
NEUDIGATE, MICHAEL	SE 141 Rd, 218	2007	3/11/2019
SHAFF, BROOKE	SE 141 RD, 219	2007	10/27/2020
HERMANSON, NATHANIEL	SE 141 RD, 221	2007	10/27/2020
CALLAHAN-TODD, HAZEL	SE 141 RD, 222	2007	3/11/2019
FULTON, JAMES	SE 141 RD, 223	2007	5/16/2016
MARIANI, VINCENT	SE 141 RD, 224	2007	9/15/2022
SCHMIDT, RICKY	SE 141 RD, 226	2007	7/10/2018
FORSYTHE, NICHOLAS	SE 141 RD, 228	2007	2/11/2020
SCHRAUDER, AUSTIN	SE 141 RD, 229	2007	8/8/2022
BRANSON, ALAIN	SE 141 RD, 231	2007	6/22/2020
MARTELLA, THOMAS	SE 141 RD, 232	2007	8/16/2021
HARRINGTON,CONNORJAMES	SE 141 RD, 234	2007	8/8/2022
MORGAN, KYLIE	SE 141 RD, 235	2007	3/11/2019
MICHAEL, WILLIAM	SE 141 RD, 236	2007	6/19/2019
DAVIS, RONALD	SE 141 RD, 237	2007	4/29/2019
JENSEN, DANIEL	SE 141 RD, 238	2007	10/15/2018
WRIGHT, ANTHONY	SE 141 RD, 239	2007	3/11/2019
BLACK, MICHAEL	SE 141 RD, 240	2007	3/11/2019
COX,RONNIE	SE 141 RD, 241	2007	7/11/2018
LYNCH, TROY	SE 141 RD, 242	2007	3/11/2019
PENNELL,HILLARY	SE 141 RD, 243	2007	9/16/2019
FLAMM,RYAN	SE 141 RD, 247	2007	8/8/2022
PETERSON, RYAN	SE 141 RD, 249	2007	6/3/2020
RICH, MARQUERITE	SE 215 RD, 142	2007	9/13/2022
HARGRAVE, BRANDON	SE 215 RD, 143	2007	3/11/2019

GRAHAM, PAYTON	SE 215 RD, 144	2007	9/13/2022
KENNY, MELISSA	SE 215 RD, 145	2007	8/8/2022
THACKER, MARQUISE	SE 215 RD, 146	2007	3/11/2019
WINCH,ASHLEY	SE 215 RD, 147	2007	5/6/2021
DEL VECCHIO, BETH	SE 215 RD, 148	2007	9/13/2022
HUPE, TAYLOR & DALE	SE 215 RD, 149	2007	9/20/2021
WILLIAMS, JESSICA	SE215RD, 150	2007	9/16/2021
HUARTSON, RICHARD	SE 215 RD, 151	2007	3/12/2020
MATHEWS, ROBERT	SE 215 RD, 153	2007	3/12/2020
TURNER,PAT	SE 215 RD, 155	2007	5/15/2018
MORRIS, LUKE	SE 215 RD, 157	2007	3/15/2019
MATEYKA, DARCY & HASSAN	SE 225 RD, 143	2015	2/21/2019
LONG, BRANDON & STEPHANIE	SE 225 RD, 144	2015	5/23/2022
MATHENY, ERIN	SE 225 RD, 146	2015	1/22/2018
HOWARD, CYNTHIA	SE 225 RD, 147	2015	6/18/2019
WESLEY, NATHAN	SE 225 RD, 148	2015	9/15/2022
MEHL, KAYLIN	SE 225 RD, 149	2015	8/10/2018
NIELSON-KONZEN, LANCE	SE 225 RD, 150	2015	6/8/2020
KUTTENKULER, JOSIAH	SE 225 RD, 151	2015	7/29/2020
O'DONNELL, SHAWN/ BRIANNA	SE 225 RD, 152	2015	7/7/2021
AZZARO, JOSEPH	SE 225 RD, 154	2015	9/25/2023
ROSTINE, JOHN & CLAUDIA	SE 225 RD, 158	2015	1/24/2018

TOTAL WATER METERS 3" WATER MAINS	**48**
	3,941.24

COUNTRYVIEW LN

Name	Srv Add	Water Main Installation Year	Meter Installation Date
RUEHLE, THOMAS	COUNTRY VIEW LN, 1309	1987	8/10/2018
SURLS, HEIDI & JOHN	SE 201 RD, 122	1987	2/25/2019
JOYNER, CARLY	SE 201 RD, 126	1987	2/25/2019
GRAHAM, MICHAEL	SE 201 RD, 128	1987	2/25/2019
HIBDON, CRAIG	SE 201 RD, 135	1987	5/22/2018
BUCKINGHAM, CHRISTINA	SE 201 RD, 136	1987	2/25/2019
GATES, DAMON & CASSIE	SE 201 RD, 148	1987	2/25/2019

TOTAL WATER METERS **7**
2" WATER MAINS **1523.62**

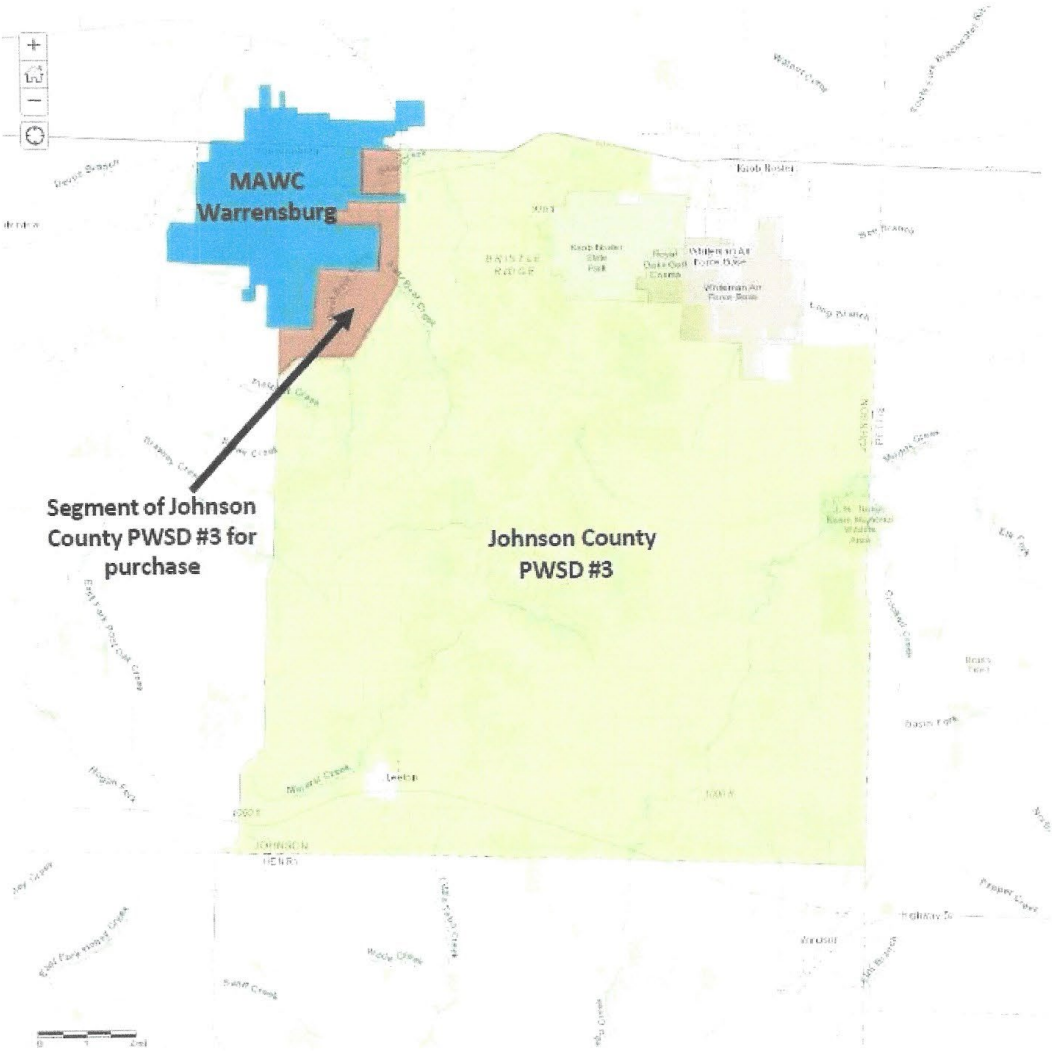
RURAL AREA

Name	Srv Add	Water Main Installation Year	Meter Installation Date
SLATTERY, STARLITH	SE 101 RD, 253	1987	3/15/2019
GOLSON, GLEN AND JEANETTE	SE 101 RD, 266	1987	3/15/2019
DENKER,JAY	SE 101 RD, 273	1987	11/25/2020
LOWRY, CYNTHIA R.	SE 101 RD, 287	1987	3/15/2019
WALDEN, PHYLLIS	SE 101 RD, 288	1987	3/15/2019
LOWRY, DANIEL G	SE 101 RD, 301	1987	7/16/2020
BAUM, STEVE & SHARON	SE 101 RD, 325	1987	3/15/2019
JO CO AMBULANCE DISTRICT	SE 13 HWY, 263	1987	4/3/2018
MORA TECHNOLOGIES LLC	SE 13 HWY, 265	1987	6/18/2019
KENDALL, ROBERT & TERRI	SE 13 HWY, 267	1987	4/3/2018
BELL, JONNA C.	SE 13 HWY, 271	1987	4/3/2018
TERRY, ANNA HEROD	SE 13 HWY, 275	1987	7/3/2019
Vacant	SE 180 RD, 174	1987	?
SMITH, SCOTT	SE 191 RD, 273	1987	4/7/2021
LITTLE, JAYME	SE 191 RD, 281	1987	4/7/2021
BECRAFT, RYAN	SE 191 RD, 295	1987	4/7/2021
DUHAMEL, RICHARD	SE 191 RD, 305	1987	4/7/2021
CABLE, JESSICA	SE 191 RD, 308	1987	4/7/2021
SCHRAG, ANDREW	SE 200 RD, 206	1987	5/16/2023
KINNARD, JESSICA	SE 200 RD, 225	1987	4/8/2021
FITTERLING, RON	SE 200 RD, 265	1987	10/4/2018
BAILE, JAMES & WILMA	SE 200 RD, 280	1987	4/8/2021
DANIELS, MICHELE	SE 250 RD, 144	1987	4/7/2021
DELANEY, JOHN AND LINDA	SE 250 RD, 156	1987	4/7/2021
ROGERS, STEVE & VICKIE	SE 250 RD, 161	1987	4/7/2021
FOX, ADAM AND JENNIFER	SE 250 RD, 165	1987	4/7/2021
LEBLANC, CHERYL	SE 250 RD, 171	1987	4/7/2021

DUNCAN, JENNIFER	SE 250 RD, 182	1987	4/7/2021
LOWRY, ESTHER	SE 250 RD, 184	1987	4/7/2021
LOWRY, DANIEL	SE 250 RD, 184 #2	1987	1/22/2018
WALLACE, JOHNATHAN	SE 250 RD, 189	1987	4/7/2021
FAUBION, SCOTT	SE 250 RD, 191	1987	4/7/2021
FAUBION, HENRY AND EVELYN	SE 250 RD, 193	1987	4/7/2021
LOWRY, CINDY	SE 250 RD, 195	1987	4/7/2021
SHARPE, JASON & MELONIE	SE 300 RD, 220	2009	6/28/2018

TOTAL WATER METERS	35
TOTAL FOOTAGE	35,058.73
2" WATER MAINS	32,679.76
6" WATER MAINS	1,302.22
8" WATER MAINS	1,076.75

EXHIBIT A


MAWC
Warrensburg
Segment of Johnson
County PWSD #3 for
purchase
Johnson County
PWSD #3

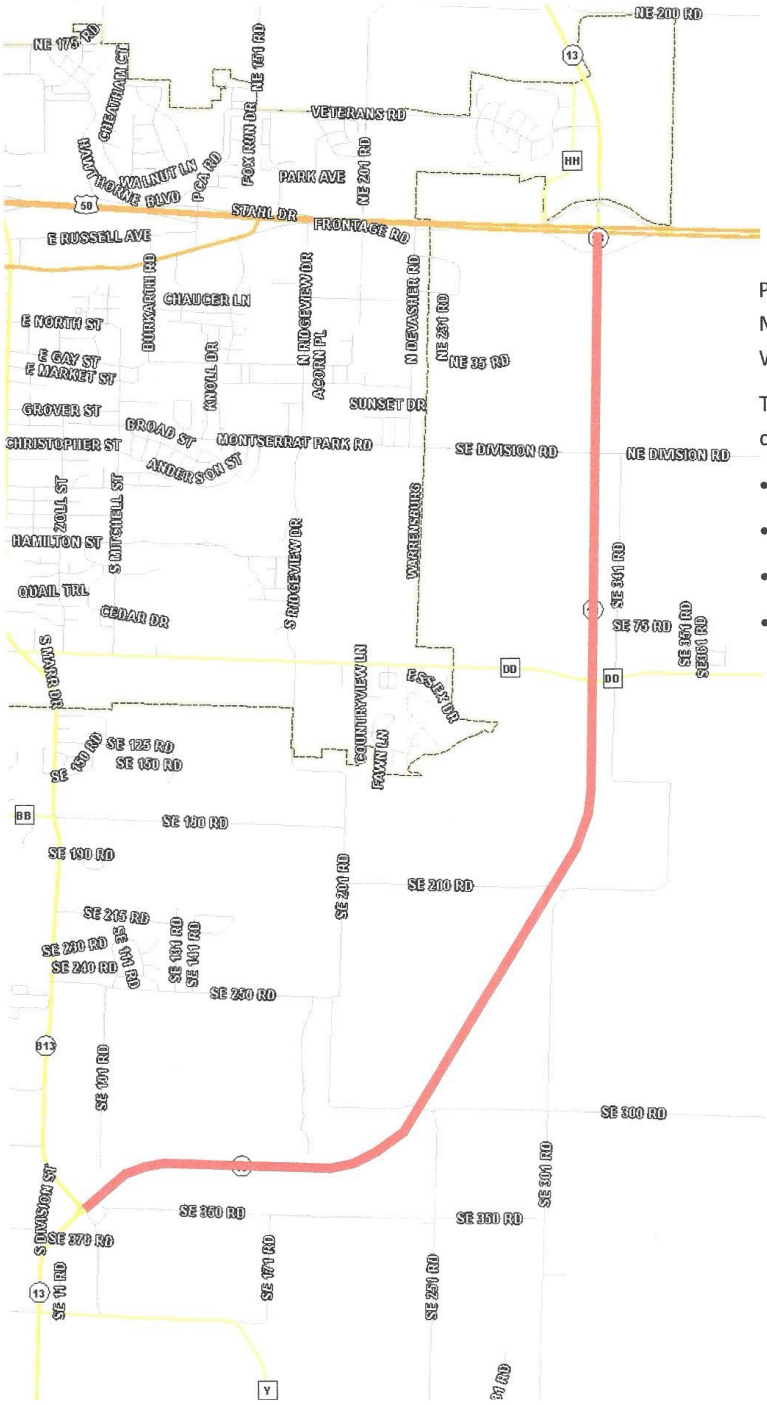


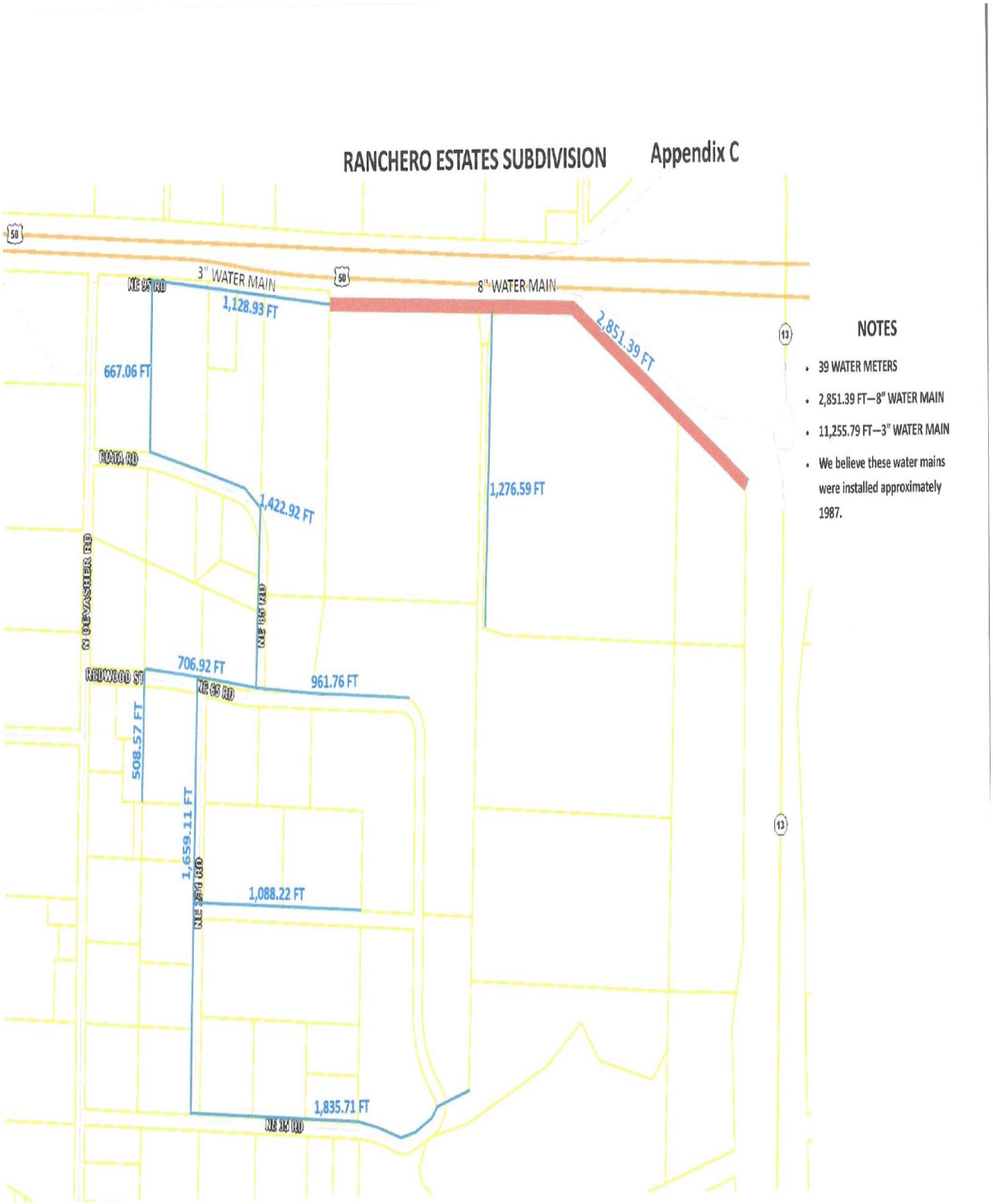
EXHIBIT B

Proposed Service Area for MAWC would be everything West of 13 Hwy Bypass.

This would include 130 customers located:

- Ranchero Estates
- Indian Point
- Country View Lane
- Various rural roads

RANCHERO ESTATES SUBDIVISION Appendix C



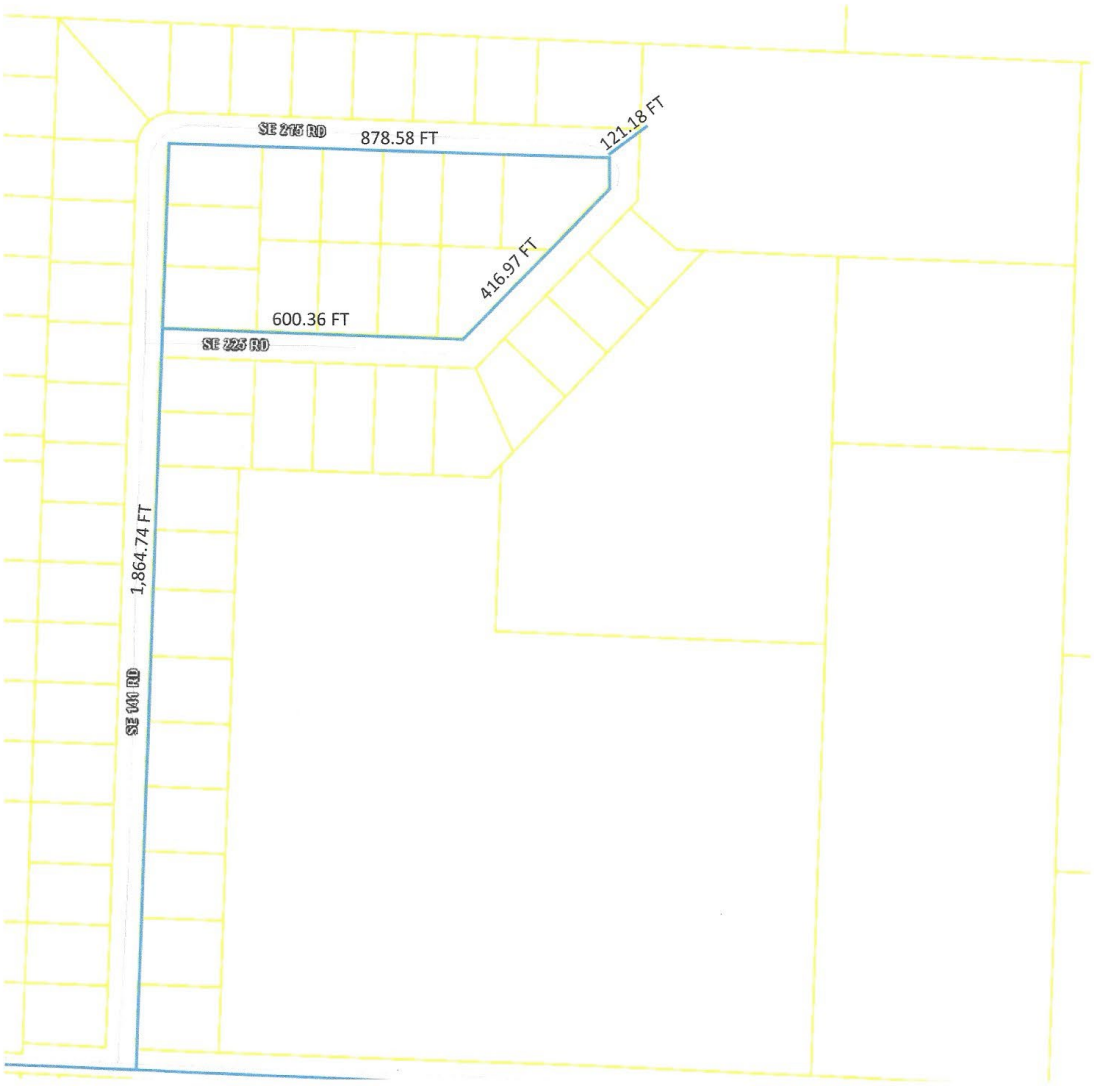
NOTES

- 39 WATER METERS
- 2,851.39 FT—8" WATER MAIN
- 11,255.79 FT—3" WATER MAIN
- We believe these water mains were installed approximately 1987.

INDIAN POINT SUBDIVISION

Appendix D

- **3,881.83 FT—3" WATER MAINS**
- **600.36 FT & 416.97 FT SEGMENTS WERE INSTALLED 2015**
- **1,864.75 FT, 878.58 FT, & 121.18 FT SEGMENTS WERE INSTALLED 2007**

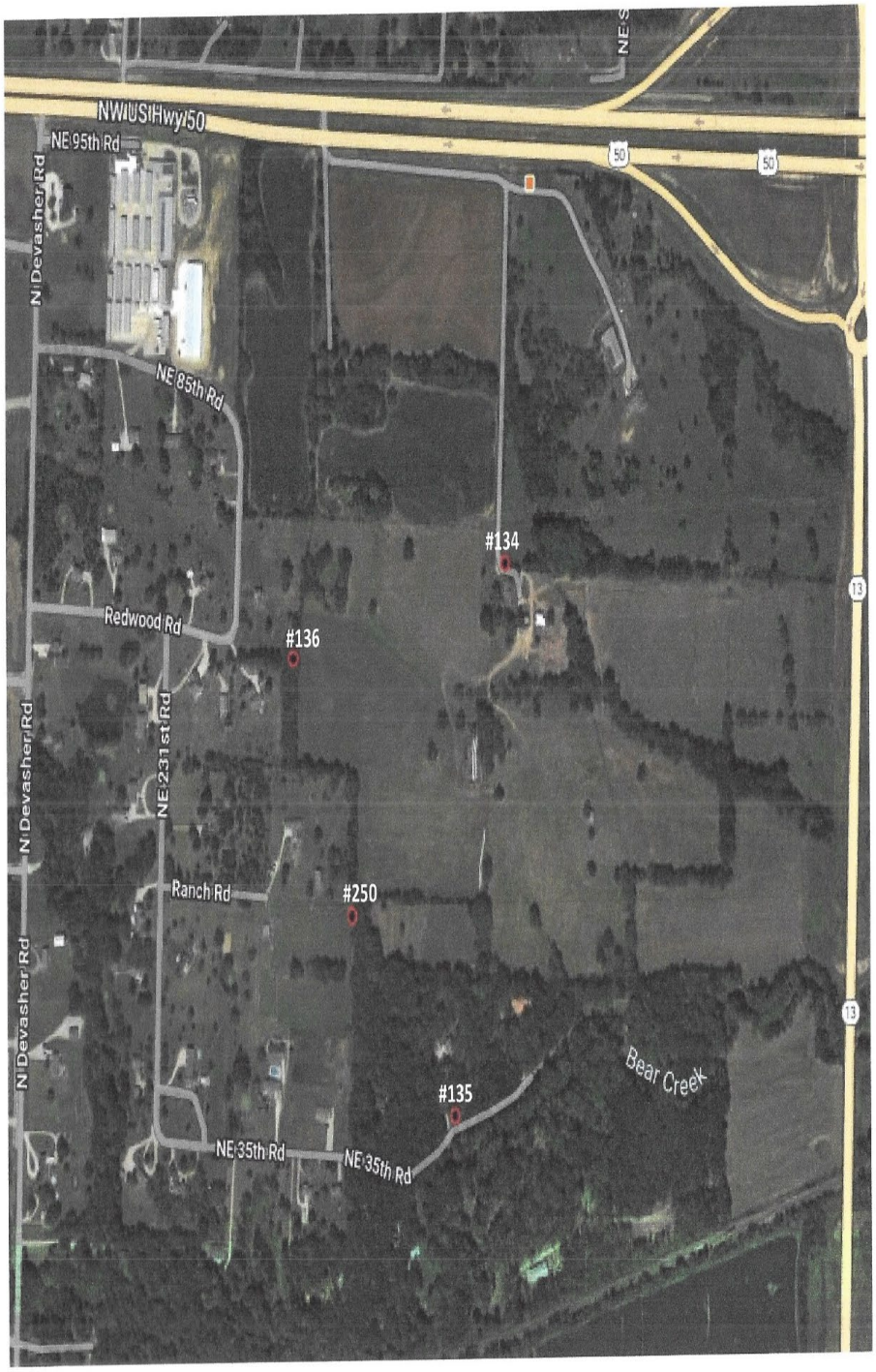


Valves

ID #	Location	Size
345	NE 65 RD / NE 85 RD	3"
393	276 NE 50 HWY	3"
394	280 NE 50 HWY	8"
395	256 NE 50 HWY	2"
396	256 NE 50 HWY	2"
397	256 NE 50 HWY	2"
511	56 NE 231 RD	2"
724	701 N DEVASHER RD	4"

Valves

ID #	Location	Size
348	SE 225 RD / SE 141 RD	4"
349	SE 225 RD / SE 141 RD	3"
350	SE 141 RD / SE 250 RD	3"
351	SE 250 RD / SE 191 RD	2"
352	SE 250 RD / SE 191 RD	3"
353	SE 200 RD / SE 201 RD	2"
382	ACROSS FROM 280 SE	2"
428	184 SE 250 RD	2"
513	SE 101 RD NEAR FLUSH	6"
525	SE 101 RD NEAR FLUSH	6"
526	SE 101 RD NEAR FLUSH	6"
625	SE 250 RD / SE 201 RD	3"
626	SE 250 RD / SE 201 RD	3"
670	SE 215 RD / SE 225 RD	3"
671	SE 215 RD / SE 225 RD	3"

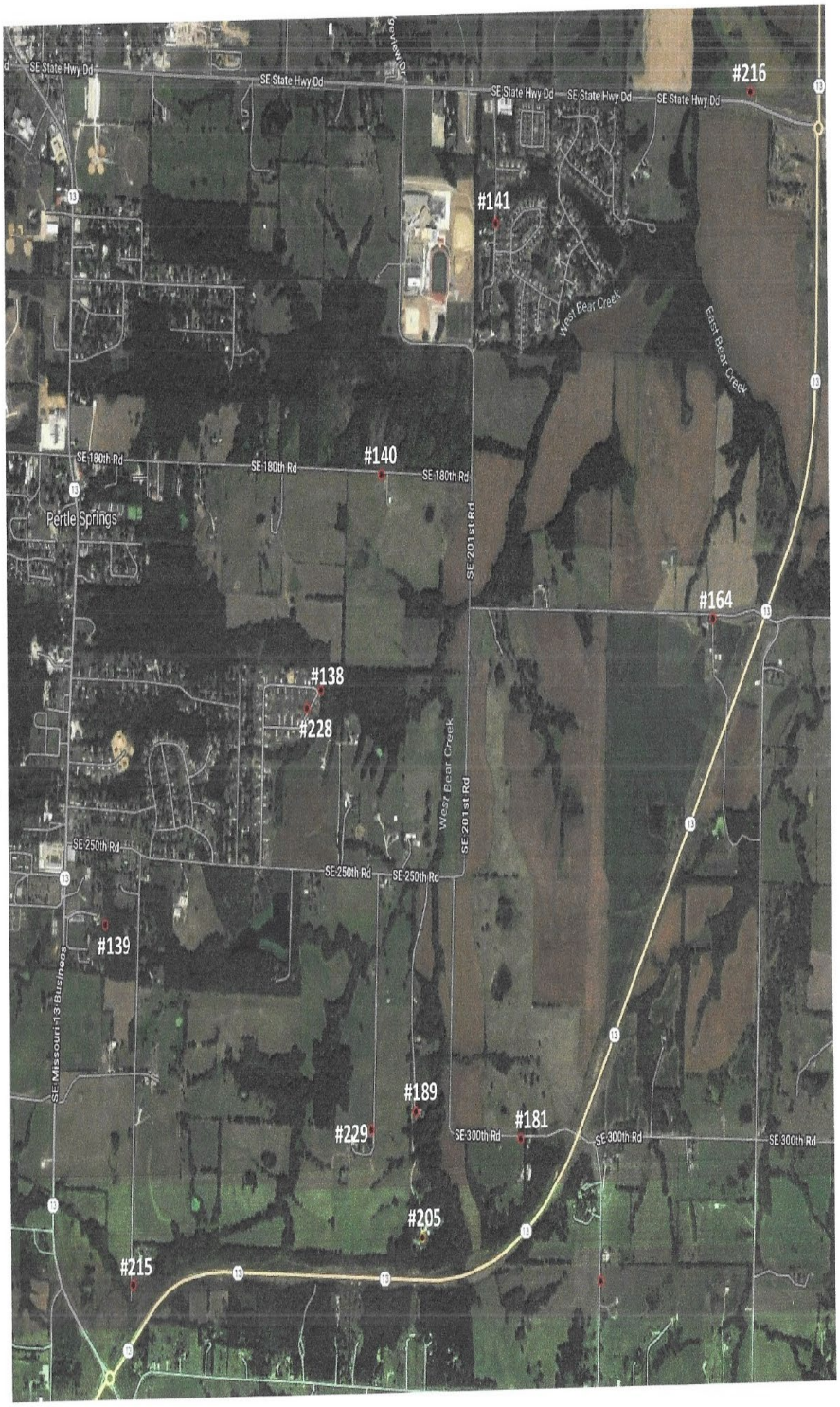


Flush Hydrants

ID #	Address	Description
134	276 NE 50 HWY	In Ground
135	276 NE 35 RD	In Ground
136	249 NE 85 RD	In Ground
250	51 NE 231 RD	In Ground

Flush Hydrants

ID #	Address	Description
138	157 SE 215 RD	In Ground
139	267 SE 13 HWY	In Ground
140	174 SE 180 RD	In Ground
141	ACROSS RD FROM 122 SE 201 RD	In Ground
164	280 SE 200 RD	In Ground
181	220 SE 300 RD	In Ground
189	295 SE 191 RD	In Ground
205	308 SE 191 RD	In Ground
215	325 SE 101 RD	In Ground
216	13 HWY BYPASS	Above Ground
228	151 SE 225 RD	In Ground
229	184 SE 250 RD	In Ground



B) COST APPROACH

Presented herein is the engineering cost approach without a land or easement valuation. Since the assets are underground, I have assumed they are in average condition. The reported water loss and breaks confirm the assumption.

This is a substandard-sized system with 2-inch PVC and 3-inch PVC serving as both water transmission and distribution. The system does not meet typical municipal standards, and as the service area builds out, it is probable that the undersized pipe will be relegated to only potable service distribution and new larger-sized pipe and interconnections with MAWC systems would be needed. The area is undergoing a transition from rural to subdivision, etc. residential. A knowledgeable buyer will recognize that major future capital needs will be needed and balance that need with the anticipated growth in the largely rural service area.

Due to the low density, there is an average of 415 linear feet of pipe from one customer to another. This is a large multiple (5 to 10 times) of a typical residential water system. The above skews the cost approach to a higher-than-normal amount.

Based upon the information provided, the RCNLPD (physical depreciation based upon an age/life analysis) is presented on Table C-1. A limited sampling of bid tabulations is shown in the Appendix that are supplemented by the engineer's cost estimate provided by Jim Henden and also supplemented (though not shown in the Appendix) by the HC water system cost files, service life files, bid tabulation files, etc.

The average service lives [(1)] rounded and used were:

2" PVC - (SDR 21 and SDR 25) – 50 Years
3" PVC - 55 Years
6" PVC - 65 Years
8" PVC - 70 Years
12" PVC - 75 Years
Services - 50 Years
Meters - 20 Years
Valves - 40 Years

[(1)] The base percentage good is 20%.

Table C-1
Public Water Supply District #3
Warrensburg, Missouri
Replacement Cost New Less Physical Depreciation (RCNLPD) (1)

Year	Description	Quantity	Unit Cost ($)	Replacement Cost New ($)	Depreciation % Good	RCNLPD ($)
Water Mains						
1987	2" WM	34,204	16.10	551,000	26	143,000
1987	3" WM	8,743	23.37	204,000	33	67,400
1990	3" WM	1,235	23.37	29,000	62	18,000
2007	3" WM	2,869	23.37	67,000	69	46,300
2009	6" WM	1,302	45.90	60,000	77	46,200
2009	8" WM	3,928	56.60	222,000	79	175,400
2015	3" WM	1,072	23.37	25,000	84	21,000
	Total:	**53,353**			**Subtotal Water Mains:**	**$ 517,000**
Services						
1987		82	994	82,000	26	21,300
2007		32	994	32,000	66	21,100
2009		3	994	3,000	70	2,100
2015		11	994	11,000	82	9,000
2023/24		5	994	5,000	97	4,900
	Total:	**133**			**Subtotal Services:**	**$ 58,000**
Blow-Offs & Specials						
Multiple Years	Blow-Offs - Flush	4	550	2,200	55	1,200
Multiple Years	"Hydrants" Specials - Flush	16	750	12,000	55	6,600
2009	Casing	1,200	84	101,000	80	81,000
					Subtotal Blow-Offs & Flush Hydrants:	**$ 89,000**

Table C-1 (Cont.)
Public Water Supply District #3 Warrensburg, Missouri
Replacement Cost New Less Physical Depreciation (RCNLPD) [1]

Year	Description	Quantity	Unit Cost ($)	Replacement Cost New ($)	Physical Depreciation % Good	RCNLPD ($)
Unknown	Meters	3	651	2,000	20	400
2016	Meters	1	651	1,000	60	600
2018	Meters	45	651	29,000	70	20,300
2019	Meters	27	651	18,000	75	13,500
2020	Meters	12	651	8,000	80	6,400
2021	Meters	23	651	15,000	85	12,800
2022	Meters	17	651	11,000	90	9,900
2023	Meters	3	651	2,000	95	1,900
2024	Meters	2	651	1,000	97	1,000
					Subtotal Mains:	**$ 67,000**
1987	2"	8	700	5,600	20	1,100
1987	3"	6	1,100	6,600	20	1,300
2007	3"	2	1,100	2,200	57	1,300
2009	6"	3	2,800	8,400	63	5,300
2009	8"	1	4,000	4,000	63	2,500
2015	3"	1	1,100	1,100	78	900
2023/2024	2"	1	700	700	98	700
					Subtotal Valves:	**$ 13,000**

[1] Rounded to nearest #1,000.

Table C-2
Public Water Supply District #3
Summary
Replacement Cost New Less Physical Depreciation (RCNLPD)

	Description		Amoun
1.	Water Mains	$	517,000
2.	Services		58,000
3.	Blow-Offs, Flush Hydrants, Etc.		89,000
4.	Meters		67,000
5.	Valves		13,00(
	Total RCNLPD	**$**	**744,000**

The process is to have all of the construction accomplished at one time with the economy of scale and efficiencies derived thereto. Moreover, the construction is in the most efficient sequence of events, minimizing restoration, conflicts, and the like. The engineering, CM, and overheads are included in the unit pricing.

The results are shown on Table C-1, finding a replacement cost new less physical depreciation (only) at $744,000 (RCNLPD).

The RCNLPD is then adjusted to reflect the other items to attain the replacement cost new less depreciation (RCNLD) (includes functional and external obsolescence). Table C-3 presents the adjustments to attain the RCNLD (without land or easements). Functional obsolescence reflects, in a small part, the inadequate transmission and distribution of piping. (Note that this item has not been assessed). External obsolescence reflects the average amount of pipe to serve a customer as well as the lack of buyers to undertake the needs of the existing and future customer base. (Note that this item has not been assessed.)

Table C-3
Public Water Supply District #3
Warrensburg, Missouri
Replacement Cost New Less Depreciation (RCNLD) [1]

Description		Amoun
1. Replacement Cost New Less Physical Depreciation	$	744,000
2. Equipment, Tools, Inventory, Consumables, Structures, Etc.		10,000
3. Records, Maps, Reports, Etc.		30,000
4. Land and Easements [2]		Not Include
RCNLD	**$**	**784,000**

[1] Note functional and external obsolescence by others:
Going Concern also by others.
[2] Land and easements by others.

The result of the RCNLD analysis is $784,000, excluding land and easements and any other adjustments made by others.

Very truly yours,

Hartman Consultants, LLC

Gerald C. Hartman
Missouri PE #2019007004
ASA #7542
BCEE #88-10034 (Water & Wastewater)

Enc. Appendix

Gerald C. Hartman, PE, BCEE, ASA .

M.S. Duke University, 1976
B.S. Duke University, 1975

Registrations/Certifications
Arizona No. 28939
Colorado No. 31200
Florida No. 27703
Georgia No. 17597
Illinois No. 062-053100
Indiana No. 10100292
Iowa No. P25166
Kentucky No. 22463
Louisiana No. 30816
Maine No. 10395
Maryland No. 12410
Mississippi No. 12717
Missouri No. 2019007004
Nebraska No. E-12868
Nevada No. 20259
New Mexico No. 15990
New York No. 088623-1
North Carolina EIT
No. A03351
North Carolina No. 15264
Ohio No. 70152
Pennsylvania No. 38216
South Carolina 15389
Tennessee No. 105550
Virginia No. 131184
W. Virginia No. 21803
Washington No. 53433
Wisconsin 32971-6
NCEES National
P.E. No. 20481
American Society of
Appraisers Accredited
Senior Appraiser No. 7542
BCEE from
American Academy
Certificate No. 88-
10034

Management Consulting/Appraisal/Expert Testimony

Mr. Hartman is an experienced utility engineer and appraiser specializing in utilities and systems. He is a qualified rate, fee and charge studies expert witness in the area of utility system valuation and financing, facility siting, certification/service area/franchises and formation/creation, management and acquisition projects. Mr. Hartman is accepted in various Federal Courts, Circuit Courts, Division of Administrative Hearings, Public Service Commissions, arbitration, and quasi-judicial hearings conducted by cities and counties, as a technical expert witness in the areas of utility systems (water, wastewater, stormwater, solid waste, gas and electric), certification/service area/franchises, facility planning, utility conveyance, transmission and distribution, utility resources, utility treatment, engineering, permitting and regulations, utility system design and construction, and utility systems valuation (water, wastewater, stormwater, solid waste, gas, and electric systems), costing and damages.

Professional Experience

Machinery and Technical Specialties, ASA – Public Utilities

Public Utilities Appraisal Specialty Certified, ASA
Tangible Personal Property – VAB, Magistrate
Orange County, FL (2009 and 2010)
Tangible Personal Property – Special Magistrate Osceola
County, FL (2011, 2012, and 2013/2014) Hendry
County, FL (2012 and 2013/2014)

Financial Reports

Mr. Hartman has been involved in over 300 capital charge, impact fee, connection of and installation charge studies involving water, wastewater and fire service for various utilities. He also has participated in over 150 user rate adjustment reports. Mr. Hartman assisted in the development of over 70 revenue bond issues, 20 short-term bank loan systems, 10 general obligation bonds, numerous grant/loan programs, numerous capacity sale programs, and 20 privatization programs. Mr. Hartman has been involved in over $3 billion in utility bond and commercial loan financings for water and wastewater utility, and over $4 billion in utility grants, matching funding, cost-sharing; SRF loans and Federal Loans (R.D., etc.), assessments and CIAC programs.

Utility Appraisals, Valuations and Evaluations

Mr. Hartman has been involved in over 600 utility negotiations, appraisals, fairness opinions and review appraisals, and has been a qualified expert witness by the courts with regard to utility arbitrations and condemnation cases. He has participated in the valuation of numerous utility systems. His experience includes:

Skills

Management Consulting Utility System Valuation Expert Witness Services Rates, Fees, and Charges Funding and Financing

Utility Certifications, Franchises, Service Areas

Economic Evaluations

Creditworthiness Analysis

Fairness Opinions

Water/Wastewater Systems Appraisals

Electric System Appraisals

Relevant Training/Courses

Numerous AWRA, AWWA, ASCE, WEF, AASE, ASA, NSPE, PE Seminars, Courses, Ethics, Continuing Education (multiple states) USPAP Exams 2003, 2005, 2010/10, 2015, 2017

ASA ME201, ME202, ME203, ME204 Mach. &Technical Specialties, BV201

Public Utilities, PP201. ASA Public Utilities Specialty Designation Exam Parts I, II, and III Numerous Technical Appraisal Courses/Exams in personal property (tangible & intangible), business valuation, and other areas Appraisal Review & Management ARM 201 and 204

Average Service Life and Effective Age Depreciation Terminal Value Taxation/IRS Valuation

Year	Project	Party Represented
2024	Cresent City S/D	Owner
2024	Seminole County Water & Sewer	Owner
2024	Wildwood Water	Owner
2024	ESAD Enterprises	Buyer
2024	Red River Authority - Preston	Buyer
2024	Severn Water Company	Buyer
2024	Johnson County PWSD #3	Buyer
2024	TCU	Owner
2024	Everette Square, ES Water, Montgomery Place	Buyer
2024	Dril-Quip Water & Wastewater	Buyer
2024	Palm Beach Aggregates Phase 1	Seller
2024	Lafourche Parish Government – Five Surplus Assets App.	Owner
2024	Wedgefield Phase 3 Water & Sewer	Buyer
2024	Cape Charles Water & Sewer	Buyer
2024	Inlet Beach Water & Sewer	Owner
2024	Massanutten Public Services	Owner
2024	Grove Land Reservoir & Stormwater Treatment Area	Owner
2023	Odessa Wastewater System	Buyer
2023	Duke Energy	Buyer
2023	Avalon Park/Volusia	Owner
2023	City of Wolfforth	Buyer
2023	City of Mounds	Buyer
2023	Greenville Wastewater	Owner
2023	Camp Grove	Buyer
2023	Centerstar/Carver Springs	Owner
2023	Kewanee Water & Wastewater	Buyer
2023	Vandalia Water & Wastewater	Buyer
2023	Docket 54646	PUC-Texas
2023	Docket 54720	PUC-Texas
2023	Silvis Heights Water Corp	Buyer
2023	Mt. Vernon Assoc. Water	Buyer
2023	Granite City RWWTP	Buyer
2023	TCU W&WW	Seller
2023	NC Force Mains	Buyer
2023	Blue Granite Water Company	Buyer & Seller
2023	Cape Charles Water & Wastewater	Buyer
2023	Thompson Water and Construction	Buyer
2023	Palm Beach Valuation of Phase 2	Seller
2023	Dockett 49859	PUC-Texas
2023	Dockett 53559	PUC-Texas
2022	Blue Granite (W&WW)	Buyer
2022	Acadia Parish / Cleco	Parish
2022	Ascension Parish (2)	Parish
2022	Hardee Authority	Authority
2022	Triton Utility	Buyer
2022	Big Cajun II	Point Coupe Parish
2022	East Moline	Buyer
2022	Granite City Regional WWTP	Buyer
2022	Woodland Oaks	Buyer

Affiliations
American Society of Appraisers
American Society of Civil Engineers
American Water Works Association
Florida Engineering Society
National Society of Professional Engineers
Water and Environment Federation

Year	Project	Party Represented
2022	West Pottsgrove	Buyer
2022	Butler Area Sewer Authority	Buyer
2022	Bahl Water Company	Buyer
2022	Douglas Utility Co.	PUC-Texas
2022	CS Water Corp	PUC-Texas
2022	Sneads Ferry (WW)	Owner
2022	Currituck (W&S)	Bank
2022	Vero Damages	City
2022	Baldwin Sewer	Buyer
2022	Thompson W.C.	PUC-Texas
2022	North Beach (W&S)	Owner
2022	Webb Creek (S)	Owner
2022	Docket 53329	PUC-Texas
2022	Tymber Creek (W&WW)	Seller
2022	North Peninsula (WW)	Seller
2022	Wedgefield (W&WW)	County
2022	Orange Tree Utility Co. (W&WW)	Owner
2022	Villa Grove (W&WW)	Owner
2022	MESD (WW)	Buyer
2022	Butler Area Sewer Authority	Buyer
2022	Bahl Water Company	Buyer
2022	Douglas Utility Co.	PUC-Texas
2022	CS Water Corp	PUC-Texas
2022	Sneads Ferry (WW)	Owner
2022	Currituck (W&S)	Bank
2022	Vero Damages	City
2022	Baldwin Sewer	Buyer
2022	Thompson W.C.	PUC-Texas
2022	North Beach (W&S)	Owner
2022	Webb Creek (S)	Owner
2022	Docket 53329	PUC-Texas
2022	Tymber Creek (W&WW)	Seller
2022	North Peninsula (WW)	Seller
2022	Orange Tree Utility Co. (W&WW)	Owner
2022	Villa Grove (W&WW)	Owner
2022	Sun River	Seller
2022	Woodstock #2 (W, WW & IW)	F.O
2022	Mahomet (W&WW)	Buyer
2022	Gibson City (W&WW)	City
2022	Hardin (W&WW)	Buyer
2022	Four Seasons (W&WW)	Buyer
2022	Royal Oaks (W&WW)	Buyer
2022	McDonald/Meadows (W&WW)	Buyer
2022	Carowood (W&WW)	Buyer
2022	Carteret County Water (W)	Buyer
2022	Foxwood (W&WW)	Buyer
2022	Bay Laurel WTP #3 (W)	Buyer/Seller
2022	Parakett (W&WW)	Owner

Year	Project	Party Represented
2022	Village of Tolono (W&WW)	Owner
2022	Zeman Homes (W&WW)	Buyer
2022	Allied Utility Services (WW)	Owner
2022	Mountain Aire (W&WW)	Buyer
2022	Rosiclaire (W&WW)	Buyer
2022	Severn (W)	Buyer
2022	Port Barrington Shores	Buyer
2022	Southgate	Owner
2021	Towamancin (WW)	Buyer
2021	Quadvest (W)	Buyer
2021	Troy (W&WW)	Buyer
2021	City of Beaver Falls (WW)	Buyer
2021	Concho Rural Water (W)	Buyer
2021	Citrus Park (W&WW)	Seller
2021	Town of Belleair	Town
2021	Village of Broadlands	Village
2021	City of Gibson	City
2021	Vero Beach	City
2021	D&E/APG	Buyer
2021	Woodstock	Owner
2021	Grenelefe (#1)	Town
2021	River Ranch (W&WW)	Town
2021	Bayou Cove	Parish
2021	Aquarina	Owner
2021	GOCSI (Both)	Owner
2021	Grey Oaks Comm. Serv., Inc.	Owner
2021	City of Wachula/Hardee County (Both)	City/County
2021	City of Greenville Collection System (Both)	City
2021	Lake Wylie (Subject System) (Both)	Owner/County
2021	Wedgefield Phase 2	Buyer
2021	Gold Coast (WC)	Owner
2021	Ascension Parish (WW)	Owner/Parish
2021	City of Pulaski (W&WW)	City
2020	Laurens County/Greenville (Both)	Buyer/Seller
2020	OTUC (W&WW)	Owner
2020	TCHOA/TCU (W&WW)	Owner
2020	Mormon Lake (WC)	Owner
2020	Peeple-S Valley (WC)	Owner
2020	Flagstaff Ranch (WC)	Owner
2020	Citrus Park (W&WW)	Owner
2020	City of Villa Grove (W&WW)	City
2020	Xcel Boulder (Elect.)	Owner
2020	Acadia Parrish Cleco (Elect.)	APTA
2020	Indiana (Confidential)	Buyer
2020	New Mexico (Confidential)	Buyer
2020	City of Jerseyville (W&WW)	Buyer
2020	Four Lakes Water	Buyer
2020	Oakbrook Water	Buyer
2020	Town of Waverly	Buyer
2020	NPUC	Seller
2020	West Cost (Confidential)	Seller
2020	THISCD W&WW	District
2020	Village of Indiantown (W&WW)	Village
2019	Grey Oaks Community Services, Inc IQU Halstatt	Seller
2019	Saluda County Water and Sewer Authority (WWTP)	Authority
2019	Village of Bourbonnais (WW)	Buyer
2019	City of Rosiclare (W&WW)	Buyer

Year	Project	Party Represented
2019	Village of Leonore Water System	Buyer
2019	Hypoluxo Water System	Buyer/Seller
2019	JEA-JCC (Review) - (W, WW, Chilled, Elect.)	JCC
2019	Village of Livingston (W&WW)	Buyer
2019	Village of Worden (W&WW)	Buyer
2019	City of Granite City Wastewater Collection Systems	Buyer
2019	Village of Godfrey (WW)	Buyer
2019	Blue Grass (WW)	Buyer
2019	Village of Godfrey (WW)	Buyer
2019	Blue Grass (WW)	Buyer
2019	LeClaire (WW)	Buyer
2019	Village of Oakbrook (W)	Buyer
2019	Village of Hinckley (W&WW)	Buyer
2019	Wedgefield Phase 1 (W&WW)	County
2019	Lockport Township (W&WW)	Seller
2019	Village of Andalusia (W&WW)	Buyer
2019	Village of Sidney, IL #2 (W)	Seller/Buyer
2019	Sandy Springs Water	City
2018	Black Bear Water Co.	Owner
2018	Rockwell Utilities (W&WW)	Buyer
2018	Village of Avon (W&WW)	Buyer
2018	Granite City Wastewater Treatment Plant	Buyer
2018	City of Alton (WW)	Buyer
2018	Village of Sidney, IL #1	Seller
2018	Village of Godfrey, IL	Buyer
2018	Village of Shilo, IL	Buyer
2018	Village of Grant Park, IL	Buyer
2018	Village of Odell, IL	Buyer
2018	Village of Glasford, IL	Buyer
2018	JEA Value Consulting (W,WW,Electric & Chilled Water)	JCC
2018	Marion Utilities, Inc. Value Consulting	Owner
2018	Wrightsville Beach Well Acquisition	City/Owner
2017	Grand Tower Energy Center 1/1/2016, IL	County
2017	Turner Shoals Hydroelectric G.S., NC	Buyer
2017	Tymber Creek Utilities (W&WW)	Seller
2017	Village of Thomasboro, IL	Buyer
2017	I-20 (Condemnation), SC	Seller
2017	IL Alton (WW)	Buyer
2017	IL Manteno (WW)	Buyer
2017	City of Farmington, IL (W)	Buyer
2017	IL Jerseyville (W&WW)	Buyer
2017	Skyline, IL (W&WW)	Seller
2017	Claremont, CA (W)	Seller
2017	Village of Peotone, IL (W&WW)	Village/Buyer
2017	Village of Tolono, IL (W&WW)	Owner
2017	OTUC IRS Donation, FL (Transfer)	Owner
2017	Eight (8) Illinois Villages/Cities (Consideration/Negotiations)	Buyers/Sellers
2017	Sundale Utilities, IL	Buyer
2017	ARM Electric (Confidential)	Owner
2017	FHMPWS Cottage Hills, IL	Buyer
2017	Village of Fisher (W&WW)	Village
2016	York County, SC (Transmission)	County
2016	Condemnation Electric – SECO (T&D)	Buyer
2016	North and West Ormond Utility	Buyer/Seller
2016	Gold Coast Utility Authority	Buyer/Seller
2016	Rainbow (MWD, CA W, WW)	District
2016	Lake Adger WR & IM, NC – Water Supply Value	County
2016	7 Systems Jefferson County West Virginia	Authority
2016	Cauley Creek WRF (IRS)	Seller

Year	Project	Party Represented
2016	Village of Sadorus – IAWC (2)	Buyer/Seller
2016	Bushell Electric (Arbitration) (T&D)	City
2016	Celina SA	Buyer
2016	OTUC W&WW Systems (Partial)	Owner
2015	City of Fairbanks 8 MGD/22 MGD WRF	Buyer
2015	Village of Ransom Water System	Buyer
2015	Vulcan/Fla Rock 1/1/2011	ACPA
2015	Crystal Clear Water Company	Buyer
2015	5-Service Areas Mustang SUD & 1 (W)	City Consultant
2015	Bayou Cove Peaking Power Plant 1/1/2014 TPP	Parish
2015	Bayou Cove Peaking Power Plant 1/1/2013 ARM-TPP	Parish
2015	Peoples (Condemnation)	Owner
2015	Kessler AFB	Private
2015	Eglin AFB	Private
2015	Eastwood Manor	Private
2015	NUNDA Utilities	Private
2015	Manalapan/Hypoluxo	City
2015	Royal Manor (W&WW)	City
2015	BH Waste Management Co.	Bank
2015	O'Fallon Utilities, Value Consulting	Private
2015	Mt. Vernon Utilities, Value Consulting	Private
2015	Tupelo/Verona (w)	Both Cities
2015	Rolling Oaks Utilities	Bank
2015	Village of Arthur	Village
2015	MS Water System Annex	City
2015	KWRU – Wastewater Utility	Owner
2015	New River Light & Power (Electric)	Owner
2015	Bayou Cove Peaking Power Plant 1/1/2015 TPP Appraisal	Parish
2014	Citrus County/Duke Energy 1/1/13 TPP	County
2014	Minto Prop./SID (W&WW&RU)	District
2014	North Maine Utilities Transaction Adv. F.O.	Village
2014	Eastlake W&WW (Condemn)	County
2014	Mooresville Water (Condemn) ARM	Attorney
2014	Heritage Hills (W&WW) (NY) to Corix	Owner
2014	Cauley Creek WRF	Owner
2013	Tega Cay (W&WW)	Both
2013	Harrison, Ohio (W)	City
2013	North Lee Rural Water Association, Tupelo, MS (Partial)	City
2013	NPUC (Cost/Comp) (WW)	Bank
2013	Progress Energy Florida (Citrus County) TPP 1/1/12	County
2013	Village of Oakwood (W&WW)	Village
2013	Richmond Generation Station (Review)	City
2013	Peru Generation Station (Review)	City
2013	Dover, Delaware Electric System	City
2013	Eglin Air Force Base	Proposer
2013	Duke Energy (Citrus County) TPP Electric #1, 2, 4, 5	County
2013	Duke Energy (Citrus County) TPP Electric #3	County
2012	Beverly Hills Waste Management	Owner

Year	Project	Party Represented
2012	Town of Belleair (Partial)	Town
2012	Orchid Springs Utilities	City
2012	Tymber Creek Utilities – Stock Transfer	Owner(s)
2012	Senoia Water System	County
2012	Peoples of Balstrop – (Condemnation)	Owner
2011	On Top of the World Communities Water, Wastewater, and Reuse System – Marion County, Florida (Bay Laurel Center Community Development District)	District
2011	Pine Island Utility System	Owner
2011	Town of Franklinton (W&WW/County)	Both
2011	Kill Devil Hills Wastewater Treatment Plant	Bank
2011	Chesapeake Electric Utility – Marianna, Florida	City
2011	City of South Daytona Electric Utility	City
2011	City of Vero Beach (W&WW, & Reuse)	City
2011	City of Vero Beach Electric Utility	City
2010	Fearington Utilities	Owner
2010	Rolling Oaks Water and Wastewater System, Beverly Hills Waste Management System (SW)	Owner/Bank
2010	Liberty Water – Tall Timbers (WW) (Condemn) System	Owner
2010	Heritage Hills (WS), NY - City	Owner
2010	Waterside Villages of Currituck (WTP), NC	District
2010	City of Griffin Water System Assets, GA	Water Authority
2010	Tindall Hammock Irrigation and Soil Conservation District Water/Wastewater System	District
2010	Town of Indian River Shores Water and Sewer System Assets	Town
2010	Thunder Enterprises, Inc. Water System Assets, AL (Condemnation)	Owner
2010	City of Vero Beach Water and Sewer System Assets, Town of Indian River Shores (Partial)	City
2010	Golden Beach (W&WW) Assets	City
2009	Aquarina (W&WW)	2009
2009	Cocoa Beach (Electric)	2009
2009	Fruitland Park (Electric)	2009
2008	Nags Head, Monterey Shores, Currituck Sewer, Corollo #1 & #2	2008
2008	Park Water Company	2008
2008	Crooked Lake Sewerage Company	City
2008	Vanguard Wastewater System	City
2008	Louisiana Land and Water Company	Owner
2008	Sandy Creek (W&WW)	County
2008	Bayside (W&WW)	County
2008	Fern Crest Utilities, Inc.	Buyer
2008	Turnpike Utilities, LLC – W/S North Carolina (IRS)	Owner
2008	Service Management Systems, Inc.	Bank
2008	Slash Creek Utility System	Owner
2008	Kill Devil Hills Utility Company	Owner
2008	Orchid Springs Utilities	City
2008	City of North Miami Beach – Utilities	Owner
2007	I-20 System South Carolina	Owner
2007	Marion Utilities, Sunshine Utilities and Windstream Uti.	County
2007	Gulf Coast Electric Cooperative	County

Year	Project	Party Represented
2007	Pine Island Currituck Sewer	Owner
2007	Pine Island Water System	Owner
2007	Intercoastal Utilities	Owner
2006	Donaldsonville/Peoples Utilities (Condemn)	Owner
2006	MSM Utilities, Inc.	Owner
2006	Jasmine Lakes and Palm Terrace	City
2006	Oak Centre	County
2006	Silver Oaks Estates	County
2006	Regal Woods	County
2006	Willow Oaks	County
2006	Gulf State Community Bank – Utility Holdings	Bank
2006	South 40, Citrus Park and Raven Hill	County
2006	Holiday Utility Company, Inc.	Bank
2006	Loch Harbor (W&WW)	Owner
2005	Lake Wales Utility Company	Bank
2005	Pennichuck Water Company (Nashua)	City
2005	K.W. Resort Utilities, Inc.	Owner
2005	Water Management Services, Inc.	Owner
2005	Village of Royal Palm Beach, Palm Beach Co.	Village
2005	Town and Country Utility Co.	Buyer
2005	Utilities, Inc. (Partial) (Condemnation)	Owner
2005	Bald Head Island Utilities, Inc.	Village
2005	Burkim Enterprises, Inc. (Condemnation)	Owner
2005	Lyman Utilities, Inc. Harrison County, MS (Condemnation)	Owner
2004	Quail Meadow Utility Company	County
2004	Matanzas Shores	County
2004	El Dorado Utilities, NM (Condemnation)	Owner
2004	Philo, Illinois – AIWC	Village
2004	Meredith Manor	County
2004	Lake Harriet Estates	County
2004	Lake Brantley	County
2004	Fern Park	County
2004	Druid Hills	County
2004	Del Ray Manor	County
2004	Apple Valley	County
2004	Kingsway Utility Area (IRS)	Both
2004	Lake Suzy Utilities (Water Portion)	County
2004	Sanibel Bayous Wastewater Corporation	City
2004	Ocean City Utilities	FCURIA/County
2004	People's Water of Donaldsonville, LA (Condemnation)	Owner
2003	Harmony Homes	County
2003	Florida Central Commerce Park	County
2003	Chuluota	County
2003	District 3C (Miramar Portion)	City
2003	Lincoln Utilities/Indiana Water Service (UI)	Owner
2003	Gibsonia Estates	City
2003	Lake Gibson Estates	City
2003	Jungle Den Utilities	Association
2003	Holiday Haven Utilities	Association
2003	Salt Springs	County
2003	Smyrna Villas	County
2003	Citrus Park	County

Year	Project	Party Represented
2003	Spruce Creek South	County
2003	Longwood Franchise (Electric)	City
2003	Casselberry Franchise (Electric)	City
2003	Apopka Franchise (Electric)	City
2003	Winter Park Acquisition (Electric)	City
2003	Stonecrest/Steeplechase	County
2003	Marion Oaks	County
2003	Kingswood Utilities	County
2003	Oakwood Utilities	County
2003	Sunny Hills Utilities	Confidential
2003	Interlachen Lake/Park Manor	Confidential
2003	Tomoka/Twin Rivers	Confidential
2003	Beacon Hills	Buyer
2003	Pine Ridge Estates	City
2003	Lake Ajay Estates	City
2003	Buenaventura Lakes	City
2002	Lelani Heights Utilities	County
2002	Fisherman Haven Utilities	County
2002	Fox Run Utilities, Inc.	County
2002	Florida Public Utilities (Condemnation)	City
2002	AquaSource – LSU	County
2002	Park Place Utility Company, GA	Owner
2002	Kingsway Utility System	Owner/County
2002	Pennichuck Water Company, NH (Nashua)	City
2002	Pasco County – 2 Systems	County
2002	Marion Consolidation – 10 Systems	County
2002	Sugarmill (Condemnation)	UCCNSB
2002	Deltona (Condemnation)	Owner
2002	Palm Coast	FCURIA
2002	Bald Head Island Utilities, NC	Village
2002	White's Creek – Lincolnshire, SC (Condemnation)	Owner
2002	Bluebird Utilities, Tupelo, MS	NFP
2001	Shady Oaks	County
2001	Davie/Sunrise	City
2001	Lindale Utilities	County
2001-2002	Due Diligence – 260 systems (VA, NC, SC)	Buyer
2001	Aquarina	Owner
2001	Intercoastal Utilities	County
2001	Beverly Beach	City
2001	Citrus County Utility Consolidation Plan (Numerous)	County
2001	Pasco County Utility Acquisition Plan (Numerous)	County
2001	Skylake Utilities	City
2001	Town of Lauderdale-By-The-Sea	Town
2001	John Knox Village	City
2001	Silver Springs Regional	County
2001	DeSoto Countywide FWSC Franchise and Assets	County
2001	Zellwood Station Co-Op	Co-Op

Year	Project	Party Represented
2001	Palm Cay	County
2000	The Great Outdoors	Owner
2000	Destin Water Users	City
2000	Dundee Wastewater (Partial)	City
2000	Polk City Water	City
2000	A.P. Utilities (2 Systems)	County
2000	CGD Utilities	Bank
2000	Aqua-Lake Gibson Utilities	City
2000	Bartelt Enterprises, Ltd. (2 Systems)	Owner
2000	49 'Ner Water System, Tucson, AZ (Condemnation)	Owner
2000	Stock Island Wastewater and Reuse System	Owner
1999	Osceola Power Station (Electric)	Owner
1999	Okeelanta Power Station (Electric)	Owner
1999	Del Webb (3 Systems)	County
1999	Destin Water Users Co-Op	City
1999	O&S Water Company	City
1999	Rolling Springs Water Company	County
1999	ORCA Water & Solid Waste	Authority
1999	Marianna Shores Water and Wastewater	City
1999	Mount Olive Utilities	City
1999	AP Utilities (3 Systems)	County
1999	Tangerine Water Association	City
1999	IRI Golf Water System, AZ (Condemnation)	Investor
1999	South Lake Utilities	City
1999	Garlits to Marion County	County
1999	Rampart Utilities	County
1999	Dobo System, Hanover County, NC	County
1999	Polk City/City of Lakeland	Lakeland
1999	St. Lucie West CDD	City
1998	Golf and Lake Estates	City
1998	Sanibel Bayous/E.P.C.	City
1998	Tega Cay Utility Company, SC	City
1998	Marlboro Meadows, MD (Condemnation)	Owner
1998	Sugarmill Water and Wastewater/Volusia County (Condemnation)	UCCNSB
1998	SunStates Utilities, Inc.	Owner
1998	Town of Hope Mills/FPWC, NC	Town
1998	River Hills, SC	County
1998	Town of Palm Beach	Town
1998	K.W. Utilities, Inc.	Buyer
1998	Orange Grove Utility Company, MS (Condemnation #2)	Owner
1998	Garden Grove Water Company	City
1998	Sanlando Utilities, Inc.	County
1997	Holiday Heights, Daetwyller Shores, Conway, Westmont	County
1997	Golden Ocala (W&WW)	County
1997	Sunshine Utilities	County
1997	Bradfield Farms Utility, NC	Owner
1997	Palmetto Utility Corporation	Owner
1997	A.P. Utilities	County
1997	Village of Royal Palm Beach – City of WPB	Village
1997	Jasmine Lake Utilities Corporation	Lender
1997	Village Water Ltd., FL	Owner
1997	N.C. System – CMUD (3 Systems)	Owner
1997	Courtyards of Broward	City
1997	Miami Springs	City
1997	Widefield Homes Water Company, CO (IRS)	Company
1997	Peoples Water System	ECUA
1997	Rolling Green, GA	County
1996	Keystone Heights	City
1996	Keystone Club Estates	City
1996	Lakeview Villas	City
1996	Geneva Lakes	City
1996	Landen Sewer System, CMUD, NC	Company
1996	Citizens Utilities, AZ – Bullhead City	City
1996	Widefield Water and Sanitation, CO	District
1996	Consolidation Program Game Plan	County
1996	Marion Oaks	County
1996	Cayuga Water System, GA	Authority

Year	Project	Party Represented
1996	Glendale Water System, GA	Authority
1996	LeHigh Acres, GA (W&WW)	Authority
1996	Lindrick Services Company	Company
1996	Carolina Blythe Utility, NC	City
1996	Ocean Reef R.O. WTPs	NKL
1995	Sanibel Bayous	City
1995	Rotunda West Utilities	Investor
1995	Palm Coast Utility Corporation	ITT
1995	Sunshine State Parkway	Company
1995	Orange Grove Utilities, Inc., Gulfport, MS	Company
1995	Georgia Utilities, Peachtree, GA (Condemnation)	City
1995	Beacon Hills Utilities	Company
1995	Woodmere Utilities	Company
1995	Springhill Utilities	Company
1995	Okeechobee Utility Authority	OUA
1995	Okeechobee Beach Water Association	OUA
1995	City of Okeechobee	OUA
1995	Mad Hatter Utilities, Inc.	Company
1994	GDU – Port St. Lucie (W&WW) (Franchise/Condemnation)	City
1994	Eastern Regional Water Treatment Plant	Owner
1994	St. Lucie County Utilities	City
1994	Heater of Seabrook, SC (Condemnation)	Company
1994	Placid Lake Utilities, Inc.	Company
1994	Ocean Reef Club Solid (W&WW)	ORCA
1994	South Bay Utilities, Inc.	Company
1994	Kensington Park Utilities, Inc.	Company
1993	Taylor Woodrow, Sarasota Cnty (Condemnation)	Taylor Woodrow
1993	Atlantic Utilities, Sarasota Cnty (Condemnation)	Company
1993	Alafaya Utilities, Inc.	Bank
1993	Anden Group Wastewater System, PA	Company
1993	West Charlotte Utilities, Inc.	District
1993	Rolling Oaks (SW)	Owner
1993	Sanlando Utilities, Inc.	Investor
1993	Venice Gardens Utilities	Company
1993	River Park Water System	SSU/Allete
1991	Sanibel – Sanibel Sewer System, Ltd.	City
1991	St. Augustine Shores, St. Johns County (Condemnation)	SSU/Allete
1991	Remington Forest, St. Johns County	SSU/Allete
1991	Palm Valley, St. Johns County	SSU/Allete
1992	Fox Run Utility System	County
1992	Uddo Landfill (SW) (Condemnation)	Owner
1992	Martin Downs Utilities, Inc.	County
1992	Leilani Heights	County
1992	River Park Water and Sewer	SSU/Allete
1992	Sebastian – GDU Water and Sewer	City
1991	Sanibel – Sanibel Sewer System, Ltd.	City
1991	St. Augustine Shores, St. Johns County (Condemnation)	SSU/Allete
1991	Remington Forest, St. Johns County	SSU/Allete
1991	Palm Valley, St. Johns County	SSU/Allete
1991	Federal Bankruptcy – Lehigh Acres	Topeka/Allete
1991	Meadowoods Utilities, Regional Utility District #1	Investor
1991	Kensington Park Utilities, Reg. Utility District #1	Investor
1991	Industrial Park, Orange City	City
1991	Country Village, Orange City	City
1991	John Know Village, Orange City	City
1991	Land O'Lakes, Orange City	City
1991	Sanibel – Sanibel Sewer System, Ltd.	City
1991	Hershel Heights, Hillsborough County	SSU/Allete
1990	Orange-Osceola Utilities, Osceola County	County

Year	Project	Party Represented
1990	Morningside East and West, Osceola County	County
1990	Magnolia Valley Services, Inc., New Port Richey	City
1990	West Lakeland Industrial, City of Lakeland	City
1990	Highlands County Landfill (Condemnation)	Owner
1990	Venice Gardens Utilities, Sarasota County	SSU/Allete
1990	South Hutchinson Services, St. Lucie County	SHS
1990	Indian River Utilities, Inc.	City
1990	Coraci Landfill (SW) (Condemnation)	Owner
1990	Terra Mar Utility Company	City
1989	Seminole Utility Company, Winter Springs	Topeka/Allete
1989	North Hutchinson Svcs., Inc., St. Lucie County	NHS
1989	Sugarmill Utility Company (Condemnation)	UCCNSB
1989	Ocean Reef Club, Inc., ORCA	Company
1989	Prima Vista Utility Company, City of Ocoee	PVUC
1989	Deltona Utilities, Volusia County	SSU
1989	Poinciana Utilities, Inc., Jack Parker Corporation	JPC
1989	Julington Creek	Investor
1988	Twin County Utilities	Company
1988	Burnt Store Utilities	Company
1988	Deep Creek Utilities	Company
1988	North Beach Water Co., Indian River County	NBWC
1988	Bent Pine Utility Company, Indian River County	BPUC
1988	Country Club Village, SSU	CCV
1987	Sugarmill Utility Co., Florida Land Corporation	FLC
1987	N. Orlando Water & Sewer Co., Winter Springs	NOWSCO
1987	Osceola Services Company, FCS (NFP)	OSC
1987	Orange City Water Company, Orange City	City
1987	West Volusia Utility Company, Orange City	City
1987	Seacoast Utilities, Inc., Florida Land Corporation	FLC
1987	Utilities Commission, City of New Smyrna Beach (partial SA/Assets) (Electric) - FPL	Commission

and numerous other utility valuations in the 1976-1987 period.

Utility Management Consulting

Mr. Hartman has been involved in utility transfers from public, not-for-profit, district, investor-owned, and other entities to cities, counties, not -for-profit corporations, districts, and private investors. He has been involved in staffing, budget preparation, asset classification, form and standards preparation, utility policies and procedures manuals/training, customer development programs, standard customer agreements, capacity sales, and other programs. Mr. Hartman has been involved in over 100 interlocal agreements with respect to service area, capacity, service, emergency interconnects, back-up or other interconnects, rates, charges, service conditions, ownership, bonding and other matters.

Additionally, Mr. Hartman has assisted in the formation of newly certificated utilities, newly created utility departments for cities and counties, new regional water supply authorities, new district utilities, and other utility formations. Mr. Hartman has assisted in utility reserve areas for the Cities of Haines City, Sanibel, Lakeland, St. Cloud, Winter Haven, Bartow, Palm Bay, Orange City, and many others. He has participated in the certification of many utilities such as ECFS, Malabar Woods, B&C Water Resources, Inc., Farmton Water Resources, Inc. and many others; and certification disputes such as Windstream, Intercoastal Dulay Utilities, FWSC/ITT, and others and served as service area certification staff of the regulatory for St. Johns County; i.e., Intercoastal, etc.; as service area transfer/certification staff of the regulatory for Flagler County; i.e., Palm Coast to FWSC. He has served as a local County regulatory staff professional in Collier, Citrus, Hernando, Flagler and St. Johns Counties, as well as elsewhere. Mr. Hartman also provided technical assistance to many utility service area agreements such as Winter Haven/Lake Wales/Haines City, etc. and North Miami Beach – MDWASD and others. For over 30 years, Mr. Hartman has been a professional assisting in the resolution of utility issues.

Utility Finance, Rates, Fees and Charges

Mr. Hartman has been involved in hundreds of capital charge, impact fee, and installation charge studies involving water, wastewater, stormwater, solid waste, gas and electric service for various entities and at the rate regulatory commissions. He also has participated in hundreds of user rate adjustment reports.

Since 1976, Mr. Hartman assisted in the development of over 50 revenue bond issues, 20 short-term bank loan systems, 2 general obligation bonds, 26 grant/loan programs, 10 capacity sale programs, and 20 privatization programs. He has been involved in over hundreds of utility acquisition/utility appraisals for acquisition and is a qualified expert witness with regard to utility rates and charges, and utility negotiation, arbitration and condemnation cases. A few of his rate, charge and bond projects include:

+ UCNSB – Revenue Bond Issue, 2020
+ City of Polk City – City Revenue Bonds, 2017
+ City of Polk City, 2014/2015/2020
+ City of Fellsmere W&WW Rates, 2017
+ City of Fort Meade Stormwater Rates, 2017
+ Bay County Revenue Bond Issue Series, 2015
+ City of Fort Meade Wastewater Study, 2015
+ City of Fellsmere Stormwater, 2015
+ City of Pleasant Prairie – WPSC, 2014
+ City of Tega Cay SCPSC, 2013/2014
+ NPUC Cert. Expansion – FPSC, 2015
+ Oakwood – ICC, 2014
+ Village of Bald Head Island – NCPUC, 2010
+ City of Polk City, 2014/2015
+ City of Dunnellon Rate Surcharge Case, 2014
+ City of Dunnellon Impact Fee Case, 2013
+ City of Fernandina Beach, Impact Fee Case and Bond Issue City of Fernandina Beach, Revenue Bond Issue, 2013
+ City of North Miami Beach Water and Wastewater Rate, Fee and Charge Study, 2013
+ City of North Miami Beach $65 Million Water Revenue Bond Issue, 2012
+ DeKalb County Revenue Bond Issue $373 Million Series, 2011
+ Polk City Services 2010 - $10 Million Revenue Bond Issue
+ Bay Laurel Services 2011 - $45 Million Revenue Bond Issue
+ Bay County Water Rate, Charge and Fee Study, Wholesale and Retail, 2013

+ Bay County Wastewater Rate, Charge and Fee Study, AWT and Retail, 2013
+ Bucks County – City of Philadelphia Wholesale Utility Services Analysis, 2011
+ Timber Creek FPSC Utility Rates and Charges, 2011 and 2012
+ Polk City Water and Wastewater Rate, Fee and Charge Study, 2010
+ Lake Worth Wholesale Charges Analysis for 7 entities, 2012
+ THISCD Water and Wastewater Rate, Fee and Charge Study, 2012
+ City of Ft. Meade Water and Wastewater Rate, Fee and Charge Study, 2013
+ City of Ft. Meade Stormwater Rate Study, 2012
+ City of Ft. Myers Beach Water/Wastewater Rate, Fee and Charge Study, 2013
+ Dunnellon Rate and Surcharge Review, 2012/2013
+ Bay Laurel Center Community Development District – Water, Wastewater and Reclaimed Water Rate Study, Line Charge Study, and Miscellaneous Charge Study, 2010
+ Skyland Utilities, LLC – FPSC, 2009
+ Bluefield Utilities, LLC – FPSC, 2009
+ Grove Land Utilities, LLC – FPSC, 2009
+ Tindall Hammock Irrigation and Soil Conservation District – Water and Wastewater Rate and Charge Study, 2008
+ Bay County – Wholesale Rate Study and Impact Fee Study – 2007
+ Flagler County – Impact Fee Analysis, 2005
+ Flagler County – Base Facility Charge Analysis, 2005
+ Marion County – Silver Springs Regional – Water/Wastewater Revenue Sufficiency, 2004
+ Beverly Beach – Water and Wastewater System, 2004
+ Village of Bald Head Island – Water and Wastewater Rate Sufficiency, 2004 - NCPUC
+ Farmton Water Resources, Inc. – FPSC, 2004
+ B&W Water Resources, Inc. – FPSC, 2004

+ Marion County – Stonecrest, Marion Oaks, Spruce Creek, Salt Springs
+ Lincoln Utilities/UI – IURC, 2003
+ South Forty, Smyral Villas – Rate Integration/Phasing Program, 2003
+ City of North Miami Beach – Water and Wastewater Adjustment, 2003
+ City of Fernandina Beach – Water and Wastewater Rate Study, 2002
+ St. Johns County – St. Johns Water Co. Rates, 2003
+ St. Johns County – Intercoastal Rates, 2001
+ Nashua, NH – Pennichuck Water Co., 2002
+ City of Deltona – Water and Wastewater, 2002
+ Town of Lauderdale By-The-Sea, 2001
+ FCURA – Palm Coast Rates, Certification, 2000
+ Marion County – Pine Run, Oak Run, A.P. Utilities – Rate Integration, 2000
+ City of North Miami Beach – Revenue Sufficiency Analysis, 2000
+ North Key Largo Utility Authority, 2000
+ Port St. Lucie – St. Lucie West – CDD, 1999
+ Hanover County – Water and Wastewater, 1999
+ UCCNSB/Sugarmill, 1999
+ Town of Hope Mills, 1998
+ Town of Palm Beach, 1998
+ City of Winter Haven, 1998
+ Palmetto Resources, Inc. – Raw Water, Reuse, Water, and Wastewater, 1997 FPSC
+ City of Miami Springs – Analysis, 1997
+ Widefield – Water and Wastewater, 1997
+ Bullhead City – Citizen, 1997 - ACC
+ Bullhead City – Wastewater, 1996
+ Marion County, 1996

+ Utilities Commission, City of New Smyrna Beach – Water/Wastewater Rate Study, 1995
+ Okeechobee Utility Authority - Rate and Charge Study, 1995
+ Southern States - Statewide Rate Case, 1995
+ Lee County - Rates and Charges, 1995
+ Venice - Reuse Rate Study, 1994
+ Utilities Commission, City of New Smyrna Beach - Capital Charge Study, 1996
+ Port St. Lucie - Water, Gas and Wastewater Rates, 1994
+ Port St. Lucie - Capital Charge Study, 1995
+ Bullhead City - Assessment Study, 1996
+ Englewood - Assessment Study, 1996
+ Sanibel - Capacity Sale Study, 1995
+ City of New Port Richey - Rate and Charge Study, 1995
+ Acme Improv. District, Wellington, Florida - Water/Wastewater Studies, 1994
+ Charlotte County, Florida - Water/Wastewater Studies; Rotunda West Rate Case, 1993
+ Clay County, Florida - Water/Wastewater Studies, 1992
+ City of Deerfield Beach, Florida - Water/Wastewater Studies, 1992
+ City of Dunedin, Florida - Water/Wastewater Studies, 1991
+ Englewood Water District, Florida - Water/Wastewater Studies, 1993
+ City of Green Cove Springs, Florida - Water/Wastewater Studies, 1991
+ Hernando County, Florida - Water/Wastewater Studies, 1992
+ City of Lakeland, Florida - Water Studies, 1976-89
+ Martin County, Florida - Water/Wastewater Studies, 1993
+ City of Naples, Florida - Water/Wastewater and Solid Waste Studies, 1992/94
+ City of New Port Richey, Florida - Water/Wastewater Studies, 1994
+ City of North Port, Florida - Water/Wastewater Studies, 1992
+ City of Orange City, Florida - Water/Wastewater Studies, 1985-94

+ City of Palm Bay, Florida - Water/Wastewater Studies, 1985-94

+ City of Panama City Beach, Florida - Water/Wastewater Studies, 1993

+ City of Sanibel, Florida - Water and Reuse Studies, 1988-94

+ Southern States Utilities Inc., Florida - Water/Wastewater Studies and Statewide Rate Cases, 1991/93, FPSC

+ City of Tamarac, Florida - Water/Wastewater Studies, 1993

+ Utilities Commission, City of New Smyrna Beach, Florida - Water/Wastewater and Reuse Studies, 1992/94

+ Volusia County, Florida - Solid Waste Studies, 1989

+ City of West Palm Beach, Florida - Water/Wastewater/Reuse Studies, 1993/94

+ City of Sebastian, Florida - Water/Wastewater Studies, 1993

+ City of Tarpon Springs, Florida - Water/Wastewater Studies, 1994

+ City of Miami Springs, Florida - Water/Wastewater/Solid Waste Studies, 1994

+ City of Edgewater, Florida - Water/Wastewater/Solid Waste Studies, 1987-90

+ City of Venice, Florida - Reuse Studies, 1994

+ City of Port St. Lucie - Water/Wastewater Studies, 1994

+ Ocean Reef Club, Monroe County, Florida - Wastewater Studies, 1994

+ Placid Lakes Utilities Inc., Florida - Water/Wastewater Studies, 1994

+ Old Overtown-Liberty Park, Birmingham, Alabama - Wastewater Studies, 1994

+ Bullhead City, Arizona - Wastewater Studies, 1994

+ Lehigh Utilities Inc., Lee County, Florida - Florida Public Service Commission Rate Cases for Water, Wastewater and Reuse, 1993

+ Marco Island and Marco Shores Utilities Inc., Collier County, Florida – 1993 - FPSC

- Florida Public Service Commission Rate Cases for Water, Wastewater and Reuse, 1993
- Venice Gardens Utilities Inc., Sarasota County, Florida - Rate Cases for Water, Wastewater and Reuse, 1989/91/93
- Mid-Clay and Clay Utilities Inc., Clay County, Florida -Water/Wastewater Studies, 1993

Several expert witness assignments including Palm Bay vs. Melbourne; Tequesta vs. Jupiter; Town of Palm Beach vs. City of West Palm Beach; City of Sunrise vs. Davie; Kissimmee vs. Complete Interiors; and others.

Economic Evaluations/Credit Worthiness Analyses

Credit Worthiness Analysis for Drinking Water State Revolving Fund (1999) –
Florida Department of Environmental Regulation

Credit Rating Reviews (1980-2000) – for numerous investor-owned utilities; many city- owned utilities (Winter Haven, Port St. Lucie, Miramar, Tamarac, Palm Bay, North Port, etc.); many county-owned utilities; several not-for-profit utilities; and utility authorities (OUA, etc.)

Financial Feasibility and Engineer's Revenue Bond Reports (1980 -2000) – for over $2 billion of water and/or wastewater bonds for some fifty (50) entities in the Southeast United States including Clay, Lee, Hernando, Martin, and other counties; Lakeland, West Palm Beach, Miramar, Tamarac, Panama City Beach, Winter Haven, Naples, North Port, Palm Bay, Port St. Lucie, New Port Richey, Clermont, Orange City, Deerfield Beach, Sanibel, City of Peachtree City, Widefield, and many other cities; Lee County Industrial Development Authority, Englewood Water District, and other utilities.

Privatization Procurement and Analysis for many water and wastewater systems including Sanibel, Town of Palm Beach, Temple Terrace, Palm Bay, Widefield, Bullhead City and sever others.

Service Areas and Negotiations

Mr. Hartman has participated in over thirty-five (35) service area formations, Chapter 25
F.S. certifications, Chapter 180.02 reserve areas, authority creations, and interlocal service area agreements including Lakeland, Haines City, Bartow, Winter Haven, Sanibel, St. Cloud,

Palm Bay, SBWA, ECFS, MWUC, Edgewater, Orange City, UCCNSB, Port St. Lucie, Martin County, OUA, NKLUA, DDUA, and many others. Mr. Hartman has been a primary negotiator for interlocal service agreements regarding capacity, joint-use, bulk service, retail service, contract operations and many others for entities such as the Town of Palm Beach, Miramar, Lauderdale-By-The-Sea, North Miami Beach, Collier County, Marion County, St. Johns County, JEA and many others.

Expert Testimony

Mr. Hartman has been accepted in various Circuit Courts, Florida Division of Administrative Hearings, Florida Public Service Commission, arbitration, and quasi- judicial hearings conducted by cities and counties, as a technical expert witness in the areas of electric systems, solid waste systems, stormwater systems, gas systems, wastewater systems and/or biosolids facilities, water supply, facility planning, water resources, water treatment, water quality engineering, water system design and construction, wastewater collection, wastewater transmission, wastewater treatment, effluent/reclaimed water use, sludge processing and disposal, costing, damages, rates/charges, service and service areas, and utility systems valuation and utility systems valuation. Recently, Mr. Hartman has been an expert witness on utility condemnation, utility arbitration, water rates and use permitting DOAH case, utility rate setting DOAH case, service area and utility service civil case, City of Atlanta Water Treatment Plant Construction, City of Milwaukee Cryptosporidium, Jupiter vs. Tequesta Water Contract Services, Winter Park electric, Okeelanta/Osceola Power Plants, UCCNSB and many other condemnation cases. Mr. Hartman has been an expert witness in permitting and regulatory cases.

Mr. Hartman has given oral testimony on some 200 occasions over the past 38 years. He has assisted in the resolution of a similar number of matters without formal testimony.

Publications / Presentations

Papers/Presentations (Since 1994)

2019 "Exploring Options for Cost Savings - Optimization and Equity Recapture"
By Clifton Parker and Gerald C. Hartman, April 3-5, 2019 VRA – Governor's Infrastructure Conference

2016 "What Special Masters are Looking For"
By Gerald C. Hartman and Dr. L. Golicz, December 10, 2015 FC – IAAO – TPP Conference

2015 "Perspectives for Utility Sales – (City/Co./Auth./NFP/CDD)"
By Gerald C. Hartman, August 26, 2015 Philadelphia, PA - Business Seminar

2015 "Water Privatization and the Systems Viability Act Legislation"
Gerald C. Hartman, et al., 102nd Illinois Municipal League Annual Conference
September 18, 2015

2014 Hartman, G.C. and Hollis, Tara L. "Financial Forces Impacting Small Utility Systems." 2014 Indiana Section AWWA Conference, February 2014.

2013 Hartman, G.C. "Stormwater Reuse/Water Harvesting", Fl. Water & Environment Association, January 24, 2013.

2012 Hartman G.C., T.L. Hollis "Optimization of Utility Performance", Florida- CFOA.

2008 Hartman, G.C., Hollis, Tara L. and Isaacs, Tony W. "Discussion of Outside City Utility Rate Surcharge." Special Meeting – Various Municipality Leaders in State of Florida (Hosted by the City of North Miami Beach and the City of North Miami). October 28, 2008.

2007 Hartman, G.C. and Wanielista, M. P. "Stormwater Reuse: The Utility Business Practice." 9th Biennial Conference on Stormwater Research & Watershed Management. May 2, 2007.

2005 Wanielista, Marty and G.C. Hartman, “Regional Stormwater Facilities”, Stormwater Management for Highways Transportation Research Board TRB AFB60, July 12, 2005.

2004 Hartman, G.C., D. Cooper, N. Eckloff and R. Anderson, “Water,” The Bond Buyer’s Sixth Southeast Public Finance Conference, February 23, 2004.

2003 Hartman, G.C., “Utility Valuation,” Wake Forest University Law School Seminar Series, February 6-8, 2003.

2003 Hartman, G.C., H.E. Schmidt, Jr. and M.S. Davis, “Biosolids Application in Rural DeSoto County, Florida,” WEF/AWWA/CWEA Joint Residuals and Biosolids Management Conference, February 19-22,2003.

2003 Hartman, G.C. and Dr. M. Wanielista, “Irrigation Quality Water – Examples and Design Considerations,” ASCE Conference, April 4, 2003.

2003 Hartman, G.C., M.A. Rynning and V. Hargray, “Assessing the Water Demands of Commercial Customer,” WEF Volume 6, No. 4, July/August 2003 – Utility Executive.

2002 Hartman, G.C., M. Sloan, N.J. Gassman, and D.M. Lee, "Developing a Framework to Balance Needs for Consumptive Use and Natural Systems with Water Resources Availability," WEF Watershed 2002 Specialty Conference, February 23-27, 2002.

2000 Hartman, G.C., M.A. Rynning, and V. Hargray, "Assessment of Commercial Customer Water Impacts," AWWA 2000.

1999 Hartman, G.C. contributing author, Chapter 14B, Nichols on Eminent Domain, RCNLD Valuation of Public Utilities, March 1999 Edition, Release No. 48.

1998 Hartman, G.C., "In-House, Outsourcing and the Not-for-Profit Utilities Option," Florida Government Finance Officers Association (FGFOA) Conference, March 27, 1998.

1998 Hartman, G.C. and D.P. Dufresne, "Understanding Groundwater Mounds – A Key to Successful Design, Operation and Maintenance of Rapid Infiltration Basins," April 4-7, 1998, FWWA/WET/FPCOA Joint Meeting.

1998 Hartman, G.C. and Seth Lehman, "Financing Water Utilities – Acquisition and Privatization Projects," AWWA Annual Conference, June 24, 1998.

1997 Hartman, G.C., Seth Lehman, "Financing Utility Acquisitions," AWWA/WEF Joint Management Conference, February 1997.

1997 Hartman, G.C., B.V. Breedlove, "Water: Where It Comes From and Where It Goes," FRT & G/FDEP Conference, September 1997.

1997 Hartman, G.C., W.D. Wagner, T.A. Cloud, and R.C. Copeland, "Outsourcing Programs in Seminole County," AWWA/WEF/FPCOA Conference, November 1997.

1997 Hartman, G.C., M.B. Alvarez, J.R. Voorhees, and G.L. Basham, "Using Color as an Indicator to Comply with the Proposed D/DBP Rule," AWWA, Water Quality Technology Conference, November 1997.

1996 Hartman, G.C., M.A. Rynning, and R.A. Terrero,
"5-Year Reserve Capacity – Can Customers
Afford the Cost?" FSASCE Annual Meeting, 1996.

1996 Hartman, G.C., T.A. Cloud, and M.B. Alvarez, "Innovations in Water and
Wastewater Technology," Florida Quality Cities, August 1996.

1995 Hartman, G.C. and R.C. Copeland, "Utility Acquisitions – Practices,
Pitfalls and Management," AWWA Annual Conference, 1995.

1995 Hartman, G.C., "Safe Drinking Water Act," and
"Stormwater Utilities," FLC Annual Meeting, 1995.

1994 Hartman, G.C. and R.J. Ori, "Water and Wastewater Utility Acquisition,"
AWWA National Management Specialty Conference, 1994.

Books

Hartman, G.C., *Utility Management and Finance*, (presently under contractual preparation with Lewis Publishing Company/CRC Press).

Vesilind, P.A., Hartman, G.C., Skene, E.T., *Sludge Management and Disposal for the Practicing Engineer*; Lewis Publishers, Inc.; Chelsea, Michigan; 1986, 1988, 1991

The American Society of Appraisers

Attests that

Gerald C. Hartman

Accredited Senior Appraiser

has successfully participated in the

Society's mandatory Reaccreditation Program

and has complied with its continuing education requirements, as set forth in the organization's Constitution, Bylaws and Administrative Rules. Therefore, formal reaccreditation has been granted by the International Board of Governors and will remain valid through

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BCEE
in the specialty(ies) of
Water Supply and Wastewater
This certification is valid through 12/31/2023
Certification Number: 88-10034

GLOSSARY

Unless specified otherwise, these definitions were extracted from the following sources or publications:
The Dictionary of Real Estate Appraisal, Seventh Edition, Appraisal Institute, Chicago, Illinois, 2022 (Dictionary).
Uniform Standards of Professional Appraisal Practice, 2020-2025 Editions (USPAP).
The Appraisal of Real Estate, Fifteenth Edition, Appraisal Institute, Chicago, Illinois, 2020 (15th Edition).

Absolute Net Lease
A lease in which the tenant pays all expenses including structural maintenance, building reserves, and management; often a long-term lease to a credit tenant. *(Dictionary)*

Ad Valorem Tax
A real estate tax based on the assessed value of the property, which is not necessarily equivalent to its market value. *(15th Edition)*

Arm's-length Transaction
A transaction between unrelated parties who are each acting in his or her own best interest. *(Dictionary)*

As-Is Market Value
The estimate of the market value of real property in its current physical condition, use, and zoning as of the appraisal date. *(Dictionary)*

Assessed Value
The value of a property according to the tax rolls in ad valorem taxation; may be higher or lower than market value, or based on an assessment ratio that is a percentage of market value. *(Dictionary)*

Average Daily Room Rate (ADR)
In the lodging industry, the net rooms revenue derived from the sale of guest rooms divided by the number of paid occupied rooms. *(Dictionary)*

Band of Investment
A technique in which the capitalization rates attributable to components of an investment are weighted and combined to derive a weighted-average rate attributable to the total investment. *(Dictionary)*

Cash-Equivalent Price
The sale price of a property that is equivalent to what a cash buyer would pay. *(Dictionary)*

Common Area
The total area within a property that is not designed for sale or rental but is available for common use by all owners, tenants, or their invitees, e.g., parking and its appurtenances, malls, sidewalks, landscaped areas, recreation areas, public toilets, truck and service facilities. *(Dictionary)*

Contract Rent
The actual rental income specified in a lease. *(15th Edition)*

Cost Approach
A set of procedures through which a value indication is derived for the fee simple estate by estimating the cost new as of the effective date of the appraisal to construct a reproduction of (or replacement for) the existing structure, including an entrepreneurial incentive; deducting depreciation from the total cost; and adding the estimated land value. The contributory value of any site improvements that have not already been considered in the total cost can be added on a depreciated-cost basis. Adjustments may then be made to the indicated value of the fee simple estate in the subject property to reflect the value of the property rights being appraised. *(Dictionary)*

Curable Functional Obsolescence
An element of depreciation; a curable defect caused by a flaw involving the structure, materials, or design, which can be practically and economically corrected. *(Dictionary)*

Debt Coverage Ratio (DCR)
The ratio of net operating income to annual debt service, which measures the relative ability of a property to meet its debt service out of net operating income; also called *debt service coverage ratio (DSCR).* (*Dictionary)*

Deferred Maintenance
Items of wear and tear on a property that should be fixed now to protect the value or income-producing ability of a property. *(Dictionary)*

Depreciation
In appraisal, a loss in the value of improvements from any cause; the difference between the cost of an improvement on the effective date of the appraisal and the value of the improvement on the same date. *(Dictionary)*

Direct Costs
Expenditures for the labor and materials used in the construction of improvements; also called *hard costs. (Dictionary)*

Discounted Cash Flow (DCF) Analysis
The procedure in which a discount rate is applied to a set of projected income streams and a reversion. The analyst specifies the quantity, variability, timing, and duration of the income streams and the quantity and timing of the reversion, and discounts each to its present value at a specified yield rate. *(Dictionary)*

Discount Rate
A rate of return on capital used to convert future payments or receipts into present value. *(Dictionary)*

Disposition Value
The most probable price that a specified interest in property should bring under the following conditions:
1. Consummation of a sale within a specified time, which is shorter than the typical exposure time for such a property in that market.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider their best interests.
7. An adequate marketing effort will be made during the exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.
This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Easement
The right to use another's land for a stated purpose. Access or right-of-way easements may be acquired by private parties or public utilities. Governments may be the beneficiaries of easements placed on privately owned land that is dedicated to conservation, open space, or preservation. *(15th Edition)*

Economic Life
The period over which improvements to real estate contribute to property value. *(Dictionary)*

Effective Age
The age of property that is based on the amount of observed deterioration and obsolescence it has sustained, which may be different from its chronological age. *(Dictionary)*

Effective Date
The date on which the appraisal or review opinion applies (SVP) *(Dictionary)*

Effective Gross Income (EGI)
The anticipated income from all operations of the real estate after an allowance is made for vacancy and collection losses and an addition is made for any other income. *(Dictionary)*

Effective Gross Income Multiplier (EGIM)
The ratio between the sale price (or value) of a property and its effective gross income. *(Dictionary)*

Effective Rent
The total base rent, or minimum rent stipulated in a lease, over the specified lease term minus rent concessions - e.g. free rent, excessive tenant improvements, moving allowances, lease buyouts, cash allowances, and other lease incentives. *(15th Edition)*

Eminent Domain
The right of government to take private property for public use upon the payment of just compensation. The Fifth Amendment of the U.S. Constitution, also known as the *takings clause*, guarantees payment of just compensation upon appropriation of private property. *(Dictionary)*

Entrepreneurial Incentive
The amount an entrepreneur expects or wants to receive as compensation for providing coordination and expertise and assuming the risks associated with the development of a project. Entrepreneurial incentive is the expectation of future reward as opposed to the profit actually earned on the project. *(Dictionary)*

Entrepreneurial Profit
A market-derived figure that represents the amount an entrepreneur received for his or her contribution to a past project to compensate for his or her time, effort, knowledge, and risk; the difference between the total cost of a property (cost of development) and its market value (property value after completion), which represents the entrepreneur's compensation for the risk and expertise associated with development. An entrepreneur is motivated by the prospect of future value enhancement (i.e., the entrepreneurial incentive). An entrepreneur who successfully creates value through new development, expansion, renovation, or an innovative change of use is rewarded by entrepreneurial profit. Entrepreneurs may also fail and suffer losses. *(Dictionary)*

Excess Land
Land that is not needed to serve or support the existing use. The highest and best use of the excess land may or may not be the same as the highest and best use of the improved parcel. Excess land has the potential to be sold separately and is valued separately. *(Dictionary)*

Excess Rent
The amount by which contract rent exceeds market rent at the time of the appraisal; created by a lease favorable to the lessor and may reflect superior management, a lease execution in an earlier, stronger rental market, or an agreement of the parties. Due to the higher risk inherent in the receipt of excess rent, it may be calculated separately and capitalized or discounted at a higher rate in the income capitalization approach. *(15th Edition)*

Expense Stop
A clause in a lease that limits the landlord's expense obligation, which results in the lessee paying any operating expenses above a stated level or amount. *(Dictionary)*

Exposure Time
An opinion, based on supporting market data, of the length of time that the property interest being appraised would have been offered on the market prior to the hypothetical consummation of a sale at market value on the effective date of the appraisal. *(USPAP)*

Extraordinary Assumption
An assignment-specific assumption as of the effective date regarding uncertain information used in an analysis which, if found to be false, could alter the appraiser's opinions or conclusions. Uncertain information might include physical, legal, or economic characteristics of the subject property; or conditions external to the property, such as market conditions or trends; or the integrity of data used in an analysis. An extraordinary assumption may be used in an assignment only if:
• It is required to properly develop credible opinions and conclusions;
• The appraiser has a reasonable basis for the extraordinary assumption;
• Use of the extraordinary assumption results in a credible analysis; and
• The appraiser complies with the disclosure requirements set forth in USPAP for extraordinary assumptions. *(USPAP)*

External Obsolescence
A type of depreciation; a diminution in value caused by negative external influences and generally incurable on the part of the owner, landlord, or tenant. The external influence may be either temporary or permanent. There are two forms of external obsolescence: economic and locational. *(Dictionary)*

Fair Market Value
In nontechnical usage, a term that is equivalent to the contemporary usage of *market value*. As used in condemnation, litigation, income tax, and property tax situations, a term that is similar in concept to market value but may be defined explicitly by the relevant agency or interpreted differently by court precedent. *(Dictionary)*

Feasibility Analysis
A study of the cost-benefit relationship of an economic endeavor. *(USPAP)*

Fee Simple Estate
Absolute ownership unencumbered by any other interest or estate, subject only to the limitations imposed by the governmental powers of taxation, eminent domain, police power and escheat. *(Dictionary)*

Floor Area Ratio (FAR)
The relationship between the above-ground floor area of a building, as described by the zoning or building code, and the area of the plot on which it stands; in planning and zoning, often expressed as a decimal, e.g., a ratio of 2.0 indicates that the permissible floor area of a building is twice the total land area. *(Dictionary)*

Functional Obsolescence
The impairment of functional capacity of improvements according to market tastes and standards. *(Dictionary)*

Functional Utility
The ability of a property or building to be useful and to perform the function for which it is intended according to current market tastes and standards; the efficiency of a building's use in terms of architectural style, design and layout, traffic patterns, and the size and type of rooms. *(Dictionary)*

Furniture, Fixtures, and Equipment (FF&E)
Business trade fixtures and personal property, exclusive of inventory. (Dictionary)

Going-concern
An established and operating business having an indefinite future life. *(Dictionary)*

Going-concern Value
An outdated label for the market value of all the tangible and intangible assets of an established and operating business with an indefinite life, as if sold in aggregate; more accurately termed the *market value of the going concern or market value of the total assets of the business*. *(Dictionary)*

Gross Building Area (GBA)
Total floor area of a building, excluding unenclosed areas, measured from the exterior of the walls of the above-grade area. This includes mezzanines and basements if and when typically included in the market area of the type of property involved. *(Dictionary)*

Gross Leasable Area (GLA)
Total floor area designed for the occupancy and exclusive use of tenants, including basements and mezzanines; measured from the center of joint partitioning to the outside wall surfaces. *(Dictionary)*

Gross Living Area (GLA)
Total area of finished, above-grade residential space area; calculated by measuring the outside perimeter of the structure and includes only finished, habitable, above-grade living space. (Finished basements and attic areas are not generally included in total gross living area. Local practices, however, may differ.) *(Dictionary)*

Highest & Best Use
The reasonably probable use of property that results in the highest value. The four criteria that the highest and best use must meet are legal permissibility, physical possibility, financial feasibility, and maximum productivity. The use of an asset that maximizes its potential and that is possible, legally permissible, and financially feasible. The highest and best use may be for continuation of an asset's existing use or for some alternative use. This is determined by the use that a market participant would have in mind for the asset when formulating the price that it would be willing to bid (IVS). *(Dictionary)*

Hypothetical Condition
A condition, directly related to a specific assignment, which is contrary to what is known by the appraiser to exist on the effective date of the assignment results, but is used for the purpose of analysis. Hypothetical conditions are contrary to known facts about physical, legal, or economic characteristics of the subject property; or about conditions external to the property, such as market conditions or trends; or about the integrity of data used in an analysis. *(USPAP)*

Income Capitalization Approach
In the income capitalization approach, an appraiser analyzes a property's capacity to generate future benefits and capitalizes the income into an indication of present value. The principle of anticipation is fundamental to this approach. Techniques and procedures from this approach are used to analyze comparable sales data and to measure obsolescence in the cost approach. *(15th Edition)*

Incurable Functional Obsolescence
An element of depreciation; a defect caused by a deficiency or superadequacy involving the structure, materials, or design that cannot be practically or economically corrected as of the effective date of the appraisal. *(Dictionary)*

Indirect Costs
Expenditures or allowances for items other than labor and materials that are necessary for construction, but are not typically part of the construction contract. Indirect costs may include administrative costs, professional fees, financing costs and the interest paid on construction loans, taxes and the builder's or developer's all-risk insurance during construction, and marketing, sales, and lease-up costs incurred to achieve occupancy or sale. Also called *soft costs*. *(Dictionary)*

Interim Use
The use contemplated by the market participants that the subject real estate can be put to while waiting for certain subsequent factors to occur. *(Dictionary)*

Investment Value
The value of a property to a particular investor or class of investors based on the investor's specific requirements. Investment value may be different from market value because it depends on a set of investment criteria that are not necessarily typical of the market. *(Dictionary)*

Leased Fee Interest
The ownership interest held by the lessor, which includes the right to receive the contract rent specified in the lease plus the reversion right when the lease expires. *(Dictionary)*

Leasehold Estate
The right held by the lessee to use and occupy real estate for a stated term and under the conditions specified in the lease. *(Dictionary)*

Legal Nonconforming Use
A use that was lawfully established and maintained, but no longer conforms to the use regulations of its current zoning; sometimes known as a legally nonconforming use. *(Dictionary)*

Liquidation Value The most probable price that a specified interest in property should bring under the following conditions:
1. Consummation of a sale within a short time period.
2. The property is subjected to market conditions prevailing as of the date of valuation.
3. Both the buyer and seller are acting prudently and knowledgeably.
4. The seller is under extreme compulsion to sell.
5. The buyer is typically motivated.
6. Both parties are acting in what they consider to be their best interests.
7. A normal marketing effort is not possible due to the brief exposure time.
8. Payment will be made in cash in U.S. dollars (or the local currency) or in terms of financial arrangements comparable thereto.
9. The price represents the normal consideration for the property sold, unaffected by special or creative financing or sales concessions granted by anyone associated with the sale.

This definition can also be modified to provide for valuation with specified financing terms. *(Dictionary)*

Market Area
The geographic region from which a majority of demand comes and in which the majority of competition is located. Depending on the market, a market area may be further subdivided into components such as primary, secondary, and tertiary market areas, or the competitive market area may be distinguished from the general market area. *(Dictionary)*

Market Rent
The most probable rent that a property should bring in a competitive and open market under all conditions requisite to a fair lease transaction, the lessee and lessor each acting prudently and knowledgeably, and assuming the rent is not affected by undue stimulus. *(Dictionary)*

Market Study
An analysis of the market conditions of supply, demand, and pricing for a specific property type in a specific area. *(Dictionary)*

Market Value (Most Common Non-FRT)
The most probable price, as of a specific date, in cash, or in terms equivalent to cash, or in other precisely revealed terms, for which the specified property rights should sell after reasonable exposure in a competitive market under all conditions requisite to a fair sale, with the buyer and seller each acting prudently, knowledgeably, and for self-interest, and assuming that neither is under undue distress. *(Dictionary)*

Market Value (Interagency Guidelines)
The most probable price which a property should bring in a competitive and open market under all conditions requisite to a fair sale, the buyer and seller each acting prudently and knowledgeably, and assuming the price is not affected by undue stimulus. Implicit in this definition is the consummation of a sale as of a specified date and the passing of title from seller to buyer under conditions whereby:
1. buyer and seller are typically motivated;

2. both parties are well informed or well advised, and acting in what they consider their own best interests;
3. a reasonable time is allowed for exposure in the open market;
4. payment is made in terms of cash in U.S. dollars or in terms of financial arrangements comparable thereto; and
5. the price represents the normal consideration for the property sold unaffected by special or creative financing or sales concessions granted by anyone associated with the sale. (Interagency Appraisal and Evaluation Guidelines, Federal Register, December 10, 2010.

Marketability Analysis
The study of how a specific property is expected to perform in a specific market. A marketability analysis expands on a market analysis by addressing a specific property. *(Dictionary)*

Neighborhood Analysis
The objective analysis of observable or quantifiable data indicating discernible patterns of urban growth, structure, and change that may detract from or enhance property values; focuses on four sets of considerations that influence value: social, economic, governmental, and environmental factors. *(Dictionary)*

Net Net Net Lease
An alternative term for a type of net lease. In some markets, a net net net lease is defined as a lease in which the tenant assumes all expenses (fixed and variable) of operating a property except that the landlord is responsible for structural maintenance, building reserves, and management. Also called *NNN lease, triple net lease*, or *fully net lease. (Dictionary)*

Net Operating Income (NOI)
The actual or anticipated net income that remains after all operating expenses are deducted from effective gross income but before mortgage debt service and book depreciation are deducted. Note: This definition mirrors the convention used in corporate finance and business valuation for EBITDA (earnings before interest, taxes, depreciation, and amortization). *(15th Edition)*

Obsolescence
One cause of depreciation; an impairment of desirability and usefulness caused by new inventions, changes in design, improved processes for production, or external factors that make a property less desirable and valuable for a continued use; may be either functional or external. *(Dictionary)*

Off-site Costs
Costs incurred in the development of a project excluding onsite costs such as grading and construction of the building and other improvements; also called *common costs* or *offsite improvement costs. (Dictionary)*

On-site Costs
Costs incurred for the actual construction of buildings and improvements on a particular site. *(Dictionary)*

Overage Rent
The percentage rent paid over and above the guaranteed minimum rent or base rent; calculated as a percentage of sales in excess of a specified breakeven sales volume. *(15th Edition)*

Overall Capitalization Rate (OAR)
The relationship between a single year's net operating income expectancy and the total property price or value. *(Dictionary)*

Parking Ratio
The ratio of parking area or parking spaces to an economic or physical unit of comparison. Minimum required parking ratios for various land uses are often stated in zoning ordinances. *(Dictionary)*

Potential Gross Income (PGI)
The total income attributable to property at full occupancy before vacancy and operating expenses are deducted. *(Dictionary)*

Potential Gross Income Multiplier (PGIM)
The ratio between the sale price (or value) of a property and its annual potential gross income. *(Dictionary)*

Present Value (PV)
The value of a future payment or series of future payments discounted to the current date or to time period zero. *(Dictionary)*

Prospective Opinion of Value
A value opinion effective as of a specified future date. The term does not define a type of value. Instead, it identifies a value opinion as effective at some specific future date. An opinion of value as of a prospective date is frequently sought in connection with projects that are proposed, under construction, or under conversion to a new use, or those that have not achieved sellout or a stabilized level of long-term occupancy. *(Dictionary)*

Qualitative Adjustment
An indication that one property is superior, inferior, or similar to another property. Note that the common usage of the term is a misnomer in that an adjustment to the sale price of a comparable property is not made. Rather, the indication of a property's superiority or inferiority to another is used in relative comparison analysis, bracketing, and other forms of qualitative analysis. *(Dictionary)*

Quantitative Adjustment
In the application of the sales comparison and income capitalization approaches, a numerical (dollar or percentage) adjustment to the sale price, rent, or expense amount of a comparable property to account for the effect on value of a difference between each comparable property and the subject property. *(Dictionary)*

Rentable Area
The amount of space on which the rent is based; calculated according to local practice. *(Dictionary)*

Replacement Cost
The estimated cost to construct, at current prices as of a specific date, a substitute for a building or other improvements, using modern materials and current standards, design, and layout. *(Dictionary)*

Replacement Cost for Insurance Purposes
The estimated cost, at current prices as of the effective date of valuation, of a substitute for the building being valued, using modern materials and current standards, design and layout for insurance coverage purposes guaranteeing that damaged property is replaced with a new property (i.e., depreciation is not deducted). *(Dictionary)*

Reproduction Cost
The estimated cost to construct, at current prices as of the effective date of the appraisal, an exact duplicate or replica of the building being appraised, using the same or similar materials, construction standards, design, layout, and quality of workmanship and embodying all the deficiencies, superadequacies, and obsolescence of the subject building. *(Dictionary)*

Retrospective Value Opinion
A value opinion effective as of a specified historical date. The term *retrospective* does not define a type of value. Instead, it identifies a value opinion as being effective at some specific prior date. Value as of a historical date is frequently sought in connection with property tax appeals, damage models, lease renegotiation, deficiency judgments, estate tax, and condemnation. Inclusion of the type of value with this term is appropriate, e.g., "retrospective market value opinion." *(Dictionary)*

Sales Comparison Approach
The process of deriving a value indication for the subject property by comparing sales of similar properties to the property being appraised, identifying appropriate units of

comparison, and making adjustments to the sale prices (or unit prices, as appropriate) of the comparable properties based on relevant, market-derived elements of comparison. The sales comparison approach may be used to value improved properties, vacant land, or land being considered vacant when an adequate supply of comparable sales is available. *(Dictionary)*

Scope of Work

The type and extent of research and analysis in an appraisal or appraisal review assignment. Scope of work includes, but is not limited to:
The extent to which the property is identified;
The extent to which tangible property is inspected;
The type and extent of data researched; and
The type and extent of analysis applied to arrive at opinions or conclusions. *(USPAP)*

Shopping Center Types

Neighborhood Shopping Center: The smallest type of shopping center, generally with a gross leasable area of between 30,000 and 100,000 square feet. Typical anchors include supermarkets. Neighborhood shopping centers offer convenience goods and personal services and usually depend on a market population support of 3,000 to 40,000 people.
Community Shopping Center: A shopping center of 100,000 to 400,000 square feet that usually contains one junior department store, a variety store, discount or department store. A community shopping center generally has between 20 and 70 retail tenants and a market population support of 40,000 to 150,000 people.
Regional Shopping Center: A shopping center of 300,000 to 900,000 square feet that is built around one or two full-line department stores of approximately 200,000 square feet each plus small tenant spaces. This type of center is typically supported by a minimum population of 150,000 people.
Super-Regional Center: A large center of 600,000 to 2.0 million square feet anchored by three or more full-line department stores. This type of center is typically supported by a population area of 300,000 people. *(15th Edition)*

Sum of the Retail Values

The sum of the separate and distinct market value opinions for each of the units in a condominium; subdivision development, or portfolio of properties, as of the date of valuation. The aggregate of retail values does not represent the value of all the units as sold together in a single transaction; it is simply the total of the individual market value conclusions. An appraisal has an effective date, but summing the sales prices of multiple units over an extended period of time will not be the value on that one day unless the prices are discounted to make the value equivalent to what another developer or investor would pay for the bulk purchase of the units. Also called the *aggregate of the retail values* or *aggregate retail selling price*. *(Dictionary)*

Superadequacy

An excess in the capacity or quality of a structure or structural component; determined by market standards. *(Dictionary)*

Surplus Land

Land that is not currently needed to support the existing use but cannot be separated from the property and sold off for another use. Surplus land does not have an independent highest and best use and may or may not contribute value to the improved parcel. *(Dictionary)*

Tenant Improvements (TIs)

1. Fixed improvements to the land or structures installed for use by a lessee.
2. The original installation of finished tenant space in a construction project; subject to periodic change for succeeding tenants. *(Dictionary)*

Usable Area

The area that is actually used by the tenants measured from the inside of the exterior walls to the inside of walls separating the space from hallways and common areas. *(Dictionary)*

Useful Life
The period of time over which a structure or a component of a property may reasonably be expected to perform the function for which it was designed. *(Dictionary)*

Vacancy and Collection Loss
A deduction from potential gross income *(PGI)* made to reflect income deductions due to vacancies, tenant turnover, and nonpayment of rent; also called *vacancy and credit loss* or *vacancy and contingency loss. (Dictionary)*

Yield Capitalization
A method used to convert future benefits into present value by
(1) discounting each future benefit at an appropriate yield rate, or
(2) developing an overall rate that explicitly reflects the investment's income pattern, holding period, value change, and yield rate. *(Dictionary)*

Appendix G-C has been marked CONFIDENTIAL in its entirety.

Customer Service Transition
Johnson County PWSD #3 Acquisition

Current Johnson County PWSD #3 Practice		Proposed MAWC Practice	
Customer Service Physical Location			
Office Location: Mackenzie Kiser 106 SE 421 Rd Warrensburg, MO 64093	Hours of Operation: Monday - Friday 8:30 am – 4:00 pm	Office Location: Missouri-American Water 1705 Montserrat Park Rd Warrensburg, MO 64093	Hours of Operation: Monday - Friday 8:00 am – 3:30 pm
Customer Service Contact Information			
Contact: Mackenzie Kiser 106 SE 421 Rd Warrensburg, MO 64093	Hours Available: Monday - Friday 8:30 am – 4:00 pm	Contact: Customer Service Center (866-430-0820) *OR* Customer Portal www.missouriamwater.com *OR* Direct E-mail welcomemoaw@amwater.com	Hours Available: Customer Service Center Monday – Friday 7:00 am – 7:00 pm (24/7 for emergencies)
Payment Options			
Cash or Check Pay via mail or drop box Electronic Funds Transfer (“EFT”)		Cash or Check Debit/Credit Card Electronic Funds Transfer (“EFT”) Pay via mail, telephone, online or at select third party payment locations. No transaction fees for debit/credit cards	
Billing Process			
Meters are read on the 20th of each month Bills are generated by the first of each month Bills are due the 5th of each month and considered late after the 15th of each month.		Standard MAWC billing process Bill generated within 3 days of meter read, with due date of 21 days from invoice date.	

Note: Customers will be integrated into the MAWC systems, and do not need to apply for service at the time of transition.

Other Customer Service Documentation

Appendix G1	MAWC Collections Process Timeline
Appendix G2	Sample Customer Discontinuance, Final Discontinuance & Overdue Payment Notices
Appendix G3	Sample Customer Welcome Letter & Customer Rights and Responsibilities
Appendix G4	Sample Customer Bill

1017	Missouri	Missouri	Missouri	Missouri	Missouri	Missouri	Missouri	Missouri
Strategy	**PR**	**PR STL County**	**PN**	**PN STL County**	**OS**	**DM**	**LS**	**Sensitive**
Threshold	**$75**	**$150**	**$75**	**$150**	**$135**	**$100**	**$100**	**$75**
Day Zero = Invoice Postmark								
Day 1	**Invoice**	**Invoice**	**Invoice**	**Invoice**	**Invoice**	**Invoice**	**Invoice**	**Invoice**
Day 2	↓	↓	↓	↓	↓	↓	↓	↓
Day 3	↓	↓	↓	↓	↓	↓	↓	↓
Day 4	↓	↓	↓	↓	↓	↓	↓	↓
Day 5	↓	↓	↓	↓	↓	↓	↓	↓
Day 6	↓	↓	↓	↓	↓	↓	↓	↓
Day 7	↓	↓	↓	↓	↓	↓	↓	↓
Day 8	↓	↓	↓	↓	↓	↓	↓	↓
Day 9	↓	↓	↓	↓	↓	↓	↓	↓
Day 10	↓	↓	↓	↓	↓	↓	↓	↓
Day 11	↓	↓	↓	↓	↓	↓	↓	↓
Day 12	↓	↓	↓	↓	↓	↓	↓	↓
Day 13	↓	↓	↓	↓	↓	↓	↓	↓
Day 14	↓	↓	↓	↓	↓	↓	↓	↓
Day 15	↓	↓	↓	↓	↓	↓	↓	↓
Day 16	↓	↓	↓	↓	↓	↓	↓	↓
Day 17	↓	↓	↓	↓	↓	↓	↓	↓
Day 18	↓	↓	↓	↓	↓	↓	↓	↓
Day 19	↓	↓	↓	↓	↓	↓	↓	↓
Day 20	↓	↓	↓	↓	↓	↓	↓	↓
Day 21	**Due Date**	**Due Date**	**Due Date**	**Due Date**	**Due Date**	**Due Date**	**Due Date**	**Due Date**
Day 22	DD+1	DD+1	DD+1	DD+1	DD+1	DD+1	DD+1	DD+1
Day 23	DD+2	DD+2	DD+2	DD+2	DD+2	DD+2	DD+2	DD+2
Day 24	DD+3	DD+3	DD+3	DD+3	DD+3	DD+3	DD+3	DD+3
Day 25	DD+4	DD+4	DD+4	DD+4	DD+4	DD+4	DD+4	DD+4
Day 26	DD+5	DD+5	DD+5	DD+5	DD+5	DD+5	DD+5	DD+5
Day 27	**LDSN**	**LDSN**	**LDSN**	**LDSN**	**LSON**	**MDDN**	**LDSN**	**LDSN**
Day 28	DD+7	DD+7	DD+7	DD+7	DD+7	DD+7	DD+7	DD+7
Day 29	DD+8	DD+8	DD+8	DD+8	DD+8	DD+8	DD+8	DD+8
Day 30	**CAF1**	**CAF1**	**CAF1**	**CAF1**	DD+9	**CAF1**	**CAF1**	**CAF1**
Day 31	**CAFP**	**CAFP**	**CAFP**	**CAFP**	**CAF1**	**CAFP**	**CAFP**	**CAFP**
Day 32	DD+11	DD+11	DD+11	DD+11	**CAFP**	DD+11	DD+11	DD+11
Day 33	**LDMO**	**LDMO**	**LDMO**	**LDMO**	**BSEW**	DD+12	DD+12	DD+12
Day 34	DD+13	DD+13	DD+13	DD+13		DD+13	DD+13	DD+13
Day 35	DD+14	DD+14	DD+14	DD+14		DD+14	DD+14	DD+14
Day 36	DD+15	DD+15	DD+15	DD+15		DD+15	DD+15	DD+15
Day 37	DD+16	DD+16	DD+16	DD+16		DD+16	DD+16	DD+16
Day 38	**ODSN**	**ODSN**	**ODSN**	**ODSN**		**OPNL**	DD+17	DD+17

Day 39	DD+18	DD+18	DD+18	DD+18		DD+18	**BSPE**	**BSCC**
Day 40	DD+19	DD+19	DD+19	DD+19		DD+19		
Day 41	DD+20	DD+20	DD+20	DD+20		DD+20		
Day 42	DD+21	DD+21	DD+21	DD+21		DD+21		
Day 43	DD+22	DD+22	DD+22	DD+22		DD+22		
Day 44	DD+23	DD+23	DD+23	DD+23		DD+23		
Day 45	**MOUT**	**MOUT**	**MOUT**	**MOUT**		DD+24		
Day 46						DD+25		
Day 47						DD+26		
Day 48						DD+27		
Day 49						DD+28		
Day 50						**OMDN**		
Day 51						DD+30		
Day 52						DD+31		
Day 53						DD+32		
Day 54						DD+33		
Day 55						DD+34		
Day 56						DD+35		
Day 57						DD+36		
Day 58						**MOUT**		
Day 59								
Day 60								
Day 61								
Day 62								

MISSOURI AMERICAN WATER
P.O. Box 2798, Camden, NJ 08101

03/19/2025

For Service To:
Account Number:
Service Address:

FINAL DISCONTINUANCE NOTICE
PAY THIS AMOUNT: $263.52 PRIOR TO: 03/24/2025

Payment on your Water account is overdue. If payment is not received, your service may be shut off on or after 03/24/2025. You can prevent discontinuation of water service by paying $263.52.

It is our sincere goal to work with you to correct this situation before further action becomes necessary. Please respond immediately so that we can assist you as best as possible. If you do not respond to this notice and your service is disconnected, any installment plan may be considered in default and you may be required to pay the full amount due including a disconnection charge, restoration charge, along with an excavation charge, if required. Please call customer service at the number listed below to ensure payment is applied to your account immediately.

Please note, someone must be available at the premises when service is restored.

Disconnection Charge: $27.50
Regular Hour Restoration Charge: $27.50
Off Hour Restoration Charge: $159.00
Excavation Charge: Actual Cost

Payment must be made before 3:00 pm to have service restored the same day and to avoid the off-hour restoration charge.

For St. Louis County customers only: If discontinuance of service becomes necessary, operation of the customer owned stop cock will be necessary. If the stop cock is found inoperable or breaks in the process of either discontinuing or restoring service, you will be required to repair or replace the stop cock prior to service being restored.

CONVENIENT PAYMENT OPTIONS

Pay your bill online: www.amwater.com/myaccount

Pay by Phone: 855-748-6066 24 hours a day, seven days a week TTY/TDD FOR THE HEARING IMPAIRED: 711 (and then reference Customer Service number listed above)

Pay in person: for a list of approved payment locations, visit www.amwater.com/myaccount

ZZ_LDMOCOL_FICA

MISSOURI AMERICAN WATER

AMERICAN WATER, PO BOX 2798, CAMDEN, NJ 08101

03/19/2025

Account Number	
Pay Before	03/31/2025
Total Due	250.35

For Service To: XXXX SPENCER AVE
ST LOUIS, MO 63114-3417

TIME SENSITIVE NOTICE:

To ensure timely receipt of your payment, please use one of the payment options noted below. Do not mail your payment.

IMPORTANT: DISCONTINUANCE NOTICE

Please read and take the steps needed to avoid your service from being discontinued.

PAY THIS AMOUNT **$250.35** **PRIOR TO** **03/31/2025**

Payment on your Water account is overdue. If payment is not received, your service may be shut off on or after 03/31/2025. You can prevent discontinuation of water service by paying the amount printed above. Please use one of our convenient payment options listed below to ensure your payment is applied to your account immediately.

It is our sincere goal to work with you to correct this situation before further action becomes necessary. Please respond immediately so that we can assist you as best as possible. If you do not respond to this notice and your service is disconnected, any installment plan may be considered in default and you may be required to pay the full amount due including a disconnection charge, a restoration charge, along with an excavation charge, if required.

Please note, someone must be available at the premises when service is restored.

Disconnection Charge: $27.50
Regular Hour Restoration Charge: $27.50
Off Hour Restoration Charge: $159.00
Excavation Charge: Actual Cost

Payment must be made before 3:00 pm to have service restored the same day and to avoid the off-hour restoration charge.

If discontinuance of service becomes necessary, operation of the customer owned stop cock will be necessary. If the stop cock is found inoperable or breaks in the process of either discontinuing or restoring service, you will be required to repair or replace the stop cock prior to service being restored.

CONVENIENT PAYMENT OPTIONS

Pay your bill online: www.amwater.com/myaccount

Pay by Phone: 855-748-6066 24 hours a day, seven days a week TTY/TDD FOR THE HEARING IMPAIRED: 711 (and then reference Customer Service number listed above)

Pay in person: for a list of approved payment locations, visit www.amwater.com/myaccount

Customer Service: M-F 7am to 7pm Emergency: 24/7: 1-855-669-8753 www.missouriamwater.com

ZZ_LDSNCOL_FICA

MISSOURI AMERICAN WATER CUSTOMER SERVICE

1-866-430-0820

HOURS: M-F, 7am-7pm ▪ Emergencies: 24/7

TTY/TDD FOR THE HEARING IMPAIRED: 711 (and then reference Customer Service number listed above)

Esto es un aviso importante sobre su servicio de agua. Para la ayuda de la traducción, por favor llamas a Missouri American Water al numero 1-866-430-0820.

ADDRESS, EMAIL OR PHONE NUMBER CHANGE REQUEST

Please let us know if we need to update your contact information in our records. NOTE: If you are moving or need to make a name change, please contact our customer service center at the phone number listed on the front of this notice. Updates to your contact information can also be made through our online self-service tool, **MyWater**. Access MyWater by visiting amwater.com/mywater.

EASY PAYMENT OPTIONS

- **Online:** Visit www.amwater.com/billpay.
- **By phone:** 24/7 at 1-855-748-6066.
- **In person:** To find an authorized payment location near you, visit us online at missouriamwater.com > Customer Service & Billing > Billing & Payment Info and click on "Pay In Person."

Want to avoid late payments in the future? Consider enrolling in Auto Pay. Enroll in Auto Pay, and your bill will be paid on time, every time. Each month, payments are automatically deducted from your checking or savings account or applied to your credit card on the due date. No stamps required.

CUSTOMER ASSISTANCE PROGRAMS

If you're experiencing financial hardship, please reach out to us. We may be able to assist. Here are some of the programs we offer to help keep your life flowing:

FINANCIAL ASSISTANCE

Through our H2O Help to Others Program, we offer financial assistance to customers who qualify, as well as a Low-Income Assistance Program for eligible customers in certain areas.

Learn more online at missouriamwater.com. Under Customer Service & Billing, select Payment Assistance Program.

INSTALLMENT PLANS

You may be eligible for an installment plan to extend the time you have to pay a past due balance. Installment plans vary based on your past due amount and the information you provide to us about your ability to pay. We collect this information, including household income and number of people in your household, to determine what options we can provide to you.

BUDGET BILLING

Budget billing is a free service that is available to eligible residential customers. The program makes managing your cash flow easier by providing predictable monthly payments and avoiding unplanned seasonal spikes that may be difficult to pay.

WATER SAVING TIPS AND TOOLS

We offer tips and tools to help customers save water and money:

- **Leak Detection Kit** to help identify common and not-so-common household leaks.
- **Conservation Tips**

Visit missouriamwater.com. Under Water Information, select Detecting Leaks and Wise Water Use.

MANAGE YOUR ACCOUNT ONLINE WITH MYWATER

MyWater is a fast and easy way to access and manage your account online.
Here are a few things you can do through MyWater:

- View and pay your bill
- Sign up for our Auto Pay and Paperless Billing programs.
- Check your account balance.
- Update your contact information.
- Sign up to receive emergency and non-urgent alerts by email, phone and text.
- View your water use history. (See in which months you use the most water to help determine ways you can save water and money.)

Access MyWater online at **amwater.com/mywater**.

MISSOURI AMERICAN WATER

AMERICAN WATER, PO BOX 2798, CAMDEN, NJ 08101

For Service To: XXXX AVION RDG 24 UNITS
ARNOLD, MO 63010-5142

Account Number	
Pay Before	04/18/2025
Total Due	743.52

03/19/2025

TIME SENSITIVE NOTICE:

To ensure timely receipt of your payment, please use one of the payment options noted below. Do not mail your payment.

IMPORTANT: 30 DAY SHUT OFF NOTICE

Please read and take the steps needed to avoid having your wastewater service shut off.

PAY THIS AMOUNT **$743.52** **PRIOR TO** **04/18/2025**

Payment on your wastewater (sewer) account is past due. If payment is not received, your water service may be shut off on or after 04/18/2025.

Missouri American Water has an agreement with your water provider to shut off your water service for nonpayment of your wastewater bill. You can prevent termination by paying the amount printed above. Please use one of our convenient payment options listed below so your payment is applied to your account immediately.

TO STOP SHUT OFF, YOU MUST PAY THE AMOUNT OVERDUE, OR THE AMOUNT PAST DUE ON THE MOST RECENT PAYMENT AGREEMENT.

Please call us at 1-855-669-8753 for any of the following circumstances:

1. You cannot pay the overdue amount and would like to discuss your eligibility to begin a payment arrangement.
2. You dispute the overdue amount or have a question regarding your bill.
3. You need to find the amount past due on your most recent payment agreement

If you do not respond to this notice and your service is disconnected, you may be required to pay more than the amount listed, as well as a a reconnection charge before service is restored. If service is shut off, you must contact Missouri American Water at 1-855-669-8753 after payment has been made to arrange for service to be restored.

Overdue Wastewater Amount: 743.52
Total Amount Due: 743.52

CONVENIENT PAYMENT OPTIONS

Pay your bill online: www.amwater.com/myaccount

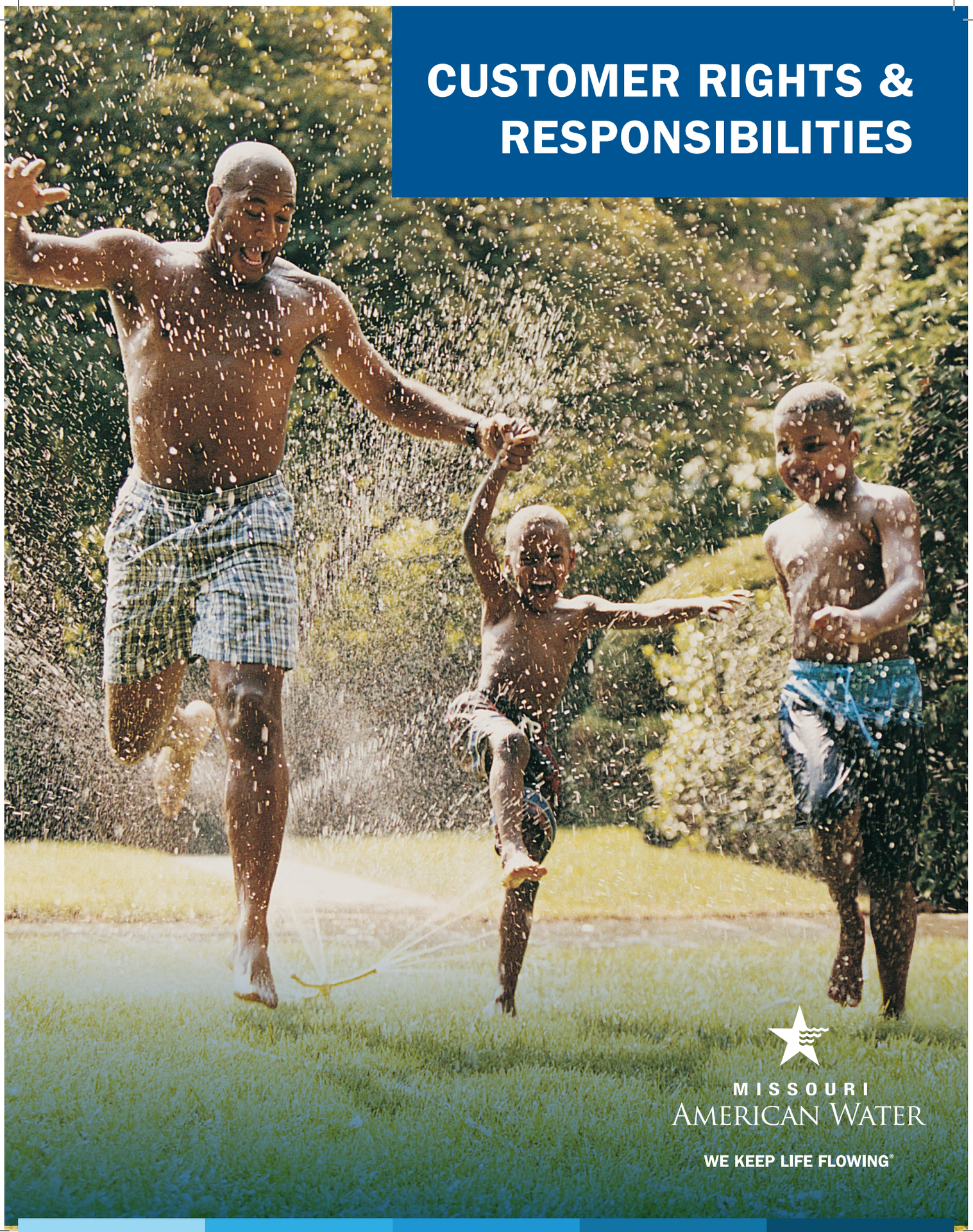
Pay by Phone: 855-748-6066 24 hours a day, seven days a week TTY/TDD FOR THE HEARING IMPAIRED: 711 (and then reference Customer Service number listed above)

Pay in person: for a list of approved payment locations, visit www.amwater.com/myaccount

ADDRESS, EMAIL OR PHONE NUMBER CHANGE REQUEST

Please let us know if we need to update your contact information in our records. NOTE: If you are moving or need to make a name change, please contact our customer service center at the phone number listed on the front of this notice. Updates to your contact information can also be made through our online self-service tool, **MyAccount**. Access MyAccount from any electronic device by visiting www.amwater.com/MyAccount.

CUSTOMER RIGHTS & RESPONSIBILITIES



MISSOURI
AMERICAN WATER

WE KEEP LIFE FLOWING®

YOUR RIGHTS AND RESPONSIBILITIES AS A CUSTOMER OF MISSOURI AMERICAN WATER

IF YOU HAVE A QUESTION OR COMPLAINT

Missouri American Water customer service representatives are dedicated to handling every customer inquiry with attention and care. Our goal is to answer your question or resolve your issue quickly and effectively. We encourage customers to call us at 866-430-0820 as soon as an issue arises. Representatives are available anytime for emergencies, and Monday through Friday from 7 a.m. to 7 p.m. for non-emergency calls.

BILL PAYMENT

Bill payments are due 21 days after the billing date. The due date is printed on the front of the bill. A delinquent charge may be applied to all accounts not paid in full by the due date. Bills become delinquent after the due date stated on the bill. If the bill is not paid, service may be disconnected.

DISCONTINUANCE AND RECONNECTION OF SERVICE

We will mail a written notice at least 10 days before we discontinue service for water customers (including customers that are both water and wastewater customers of Missouri American Water), and at least 30 days before we discontinue service for wastewater-only customers. The notice explains the reason for the discontinuance of service and the amount of money owed in the case of a past due bill. For wastewater customers, the 30-day notice may be waived if there is any waste discharge that might be detrimental to the health and safety of the public or cause damage to the wastewater system.

If you receive a notice, please take immediate action to avoid service discontinuance. Call our Customer Service Center at 866-430-0820. We will restore service when the bill has been paid or the conditions that caused the disconnection have been corrected. There is a reconnection fee. If you will be absent from your home or business for a period of time, you may avoid discontinuance of service by:

1. Forwarding your mail to an address where your bill will reach you.
2. Signing up for automatic payment.
3. Requesting termination of your service.

QUESTIONS ABOUT BILLING ACCURACY

For questions about billing accuracy, please contact a customer service representative at 866-430-0820.

CUSTOMER DEPOSITS

Missouri American Water does not require customer deposits.

READING METERS FOR ACCURATE BILLS

Missouri American Water makes every effort to obtain an actual meter reading as the most accurate way to calculate your bill. However, there are times when we may have to estimate usage. For example, adverse weather may prevent meter readings. When it is necessary to estimate usage, Missouri American Water will comply with the bill estimation procedures prescribed by PSC rules 20 CSR 4240-13-020(2)(C). The difference between the estimated bill and your actual usage will be automatically adjusted on your bill following the next actual meter reading.

Outdoor meters should not be opened, as they are sometimes difficult to re-seal properly. If you want to read your meter, you will find a numerical odometer-type meter (similar to the device that records miles traveled in a car). The odometer-type meter readings show the gallons used with a series of numbers in a small window. You can calculate the difference between readings to determine the number of gallons used. Your bill shows usage in terms of gallons. Please see our website for more information about how to read your meter.

COMPLAINT PROCEDURES

If you have a question about your bill that we cannot resolve to your satisfaction, you may pay the bill in full and Missouri American Water will credit any overpayment if the matter is resolved in your favor. If you do not pay the bill in full, Missouri American Water and the Missouri Public Service Commission (MoPSC) have complaint procedures in place that are available to customers to resolve disputes and avoid service discontinuance.

1. Customers must register a complaint by phone or in writing at least 24 hours before the date stated in the notice of discontinuance.
2. Within four days after registering the complaint, the customer must pay the part of the bill not in dispute. If the company and the customer cannot agree on the undisputed amount, at the company's discretion, it may be set at 50 percent of the disputed bill or at the amount of the customer's bill during the same time a year ago.
3. Missouri American Water will thoroughly investigate the complaint and attempt to resolve the problem. If, at the conclusion, the customer is still dissatisfied, we will mail a written notice explaining the MoPSC's informal complaint process. Informal complaints must be made to the MoPSC within five days after the date of the notice to avoid service disconnection. Informal complaints can be made by phone at 800-392-4211 or through the MoPSC's website at psc.mo.gov.
4. The MoPSC staff will investigate the informal complaint and issue findings. Missouri American Water or the customer may elect to file a formal complaint following the issuance of the finding.
5. A formal customer complaint must be filed within 30 days of the MoPSC findings to avoid disconnection. Formal complaints must follow specific rules set out in the MoPSC's Rules of Practice and Procedures, which is available on the MoPSC website at psc.mo.gov.

MISSOURI PUBLIC SERVICE COMMISSION (MoPSC)

Missouri American Water operates under regulations established by the MoPSC. If you feel we have not responded to your issue in a satisfactory manner, you have the right to request that the MoPSC review the unresolved issue. You may contact the MoPSC at:

Missouri Public Service Commission
Governor Office Building
200 Madison Street, PO Box 360
Jefferson City, MO 65102-0360
800-392-4211
psc.mo.gov

OFFICE OF PUBLIC COUNSEL (OPC)

The OPC represents the interests of the public and utility customers in proceedings before the MoPSC and in appeals in the courts. You may contact the OPC at:

Office of Public Counsel
Governor Office Building
200 Madison Street, PO Box 2230
Jefferson City, MO 65102-2230
866-922-2959
opc.mo.gov

From time to time, Missouri American Water's policies may change, so please visit our website at **missouriamwater.com** for the latest information.

MISSOURI AMERICAN WATER

December 13, 2023

Dear Ironton Customer:

Welcome to the Missouri American Water family! We are thrilled to have you as a customer. We are proud to be your new water and wastewater provider as of December 13, 2023.

The transfer of your water and wastewater service accounts is being completed. There are no additional steps you need to take for your service to continue. Billing information is being transferred to our system. If you have a non-emergency question about the transition of your water and wastewater service, you may email us at **welcomemoaw@amwater.com**.

We currently have two authorized contractors who have begun a system-wide meter change program. All water meters in Ironton will be replaced with new advanced technology meters. These meters will allow you to view your water usage pattern, making leaks easily detectable in your home plumbing. We expect this process to take a couple of months to complete. Due to meters being changed, your first water bill may not capture all of your water usage for the month. Your fixed charge or monthly meter charge will be for a full month of service, but the usage may reflect an abbreviated period.

Your first bill from Missouri American Water is scheduled to arrive the week of January 22. A sample bill is enclosed for your reference. This bill reflects the current water and wastewater rates.

CUSTOMER SERVICE AT YOUR FINGERTIPS

Below are helpful tips as we transition to being your water and wastewater service provider. This information can also be found on our website at **missouriamwater.com > Customer Service & Billing**.

As a customer of Missouri American Water, you have access to a self-service website called MyWater that allows you to manage your account and get emergency updates any time, day or night. With MyWater, you can pay your bill, turn water service on and off, and track water usage history. If emergencies do occur, be sure you have access to the most up-to-date information by also signing up for alerts. Paying your bill online is free of charge.

Signing up for **MyWater** is easy and free! After you receive your first bill in the mail, visit **missouriamwater.com** and click on “Sign Up” in the “Login to MyWater” box in the top right corner. Make sure you have your Missouri American Water account number handy, which is listed on the top corner of your bill.

MyWater provides you with 24/7 payment ability. With MyWater, you can view and pay your bill and manage your account. Payments can also be made by phone or via mail. You can also pay by cash, check, or credit card. To learn more about these options, please visit **missouriamwater.com**.

MyWater also allows you to simplify how you get and pay your bill. Paperless billing is available. You will receive an email with the amount due, the due date and a link to view your bill online. Additionally, you can reduce clutter by enrolling in electronic Auto Pay. Your bill will be automatically paid on time, every time. Auto Pay is simple, secure and clutter-free. No stamps required! Enroll for both via MyWater.

continued on reverse

Missouri American Water
727 Craig Road
St. Louis, MO 63141
P 866-430-0820
missouriamwater.com

YOUR SERVICE

Missouri American Water operates under regulations established by the Missouri Public Service Commission (MoPSC). If you believe we have not responded to an issue in a satisfactory manner, you have the right to request that the MoPSC review the unresolved issue. You may contact them at:

Missouri Public Service Commission
Governor Office Building
200 Madison St, PO Box 360
Jefferson City, MO 65102-0360
800-392-4211 or psc.mo.gov

Included in this packet, you will find a copy of our new customer brochure, cross connection letter, understanding your bill handout, and our rights and responsibilities brochure, which provides specific information about our policies regarding your water and wastewater service with us. It defines your rights and responsibilities and provides information about your bill, how to pay your bill, and who to contact for questions regarding your service.

Our team of dedicated professionals is committed to providing exceptional water, wastewater and customer service. From customer service representatives to plant operators, our employees recognize the critical role they play in meeting your daily water and wastewater service needs. You will notice our employees are easily recognizable as they wear uniforms and carry company identification.

As a subsidiary of American Water, we have been providing reliable service to Missourians for more than 140 years. We are a proud community partner, dedicated to making your customer experience a pleasant one. We look forward to serving your community.

Sincerely,

Brian Eisenloeffel
Senior Director of Operations
Missouri American Water