

Exhibit No.:	
Issues:	Neosho Acquisition
Witness:	Edward W. Dinan
Exhibit Type:	Direct
Sponsoring Party:	Missouri-American Water Company
Case No.:	WA-2026-0072
Date:	April 7, 2026

MISSOURI PUBLIC SERVICE COMMISSION

CASE NO. WA-2026-0072

DIRECT TESTIMONY

OF


EDWARD W. DINAN

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY & CITY OF NESOHO

AFFIDAVIT

I, Edward W. Dinan, under penalty of perjury, and pursuant to Section 509.030, RSMo, state that I am President and Owner of Dinan Real Estate Advisors, Inc., that the accompanying testimony has been prepared by me or under my direction and supervision; that if inquiries were made as to the facts in said testimony, I would respond as therein set forth; and that the aforesaid testimony is true and correct to the best of my knowledge and belief.


Edward W. Dinan

7-7-26
Dated

**DIRECT TESTIMONY
EDWARD W. DINAN
MISSOURI-AMERICAN WATER COMPANY
CASE NO.: WA-2026-0072**

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DIRECT TESTIMONY

EDWARD W. DINAN

I. INTRODUCTION

1

2 **Q. Please state your name and business address.**

3 A. My name is Edward W. Dinan, and my business address is 2023 South Big Bend
4 Boulevard, St. Louis, Missouri 63117.

5 **Q. Please state your professional background.**

6 A. I am the President and Owner of Dinan Real Estate Advisors, Inc, which provides real
7 estate valuation and consulting services specific to public and private utility systems,
8 including water and wastewater systems. I have over 45 years of experience providing real
9 estate valuation services for residential, agricultural commercial, industrial, and special
10 purpose properties throughout multiple states. I am a member of the Appraisal Institute,
11 maintaining an MAI designation. I currently hold general certification appraisal licenses
12 from the states of Illinois and Missouri. A detailed summary of my experience is provided
13 in **Schedule EWD-1**.

14 **Q. Have you previously testified before the Missouri Public Service Commission?**

15 A. No, I have not provided testimony in any past cases with the Missouri Public Service
16 Commission.

17 **II. VALUATION REPORT**

18 **Q. Did you participate in the preparation of a Valuation Report concerning the City of**
19 **Neosho (“Neosho” or “City”) water and sewer systems?**

20 A. Yes. In early September of 2024, I was asked to participate in providing a Valuation Report

1 in regard to these systems. I was the appraiser appointed by the other two appraisers after
2 they were appointed by the City and MAWC.

3 **Q. Were you the only appraiser that participated in this Valuation Report?**

4 A. No. Elizabeth Goodman Schneider, CRE, MAI; and Joseph E. Batis MAI, AI-GRS, also
5 participated as appraisers. I am a disinterested person who is a certified general appraiser
6 under chapter 339 of the Missouri Code. An engineering report was completed by Gerald
7 C. Hartman, PE of Hartman Consultants, LLC, who is a licensed engineer in the state of
8 Missouri.

9 **Q. What standard was used in the preparation of the Valuation Report?**

10 A. The Valuation Report was prepared in conformance with Standards Rule 2-2(a) of the 2024
11 Edition of the Uniform Standards of Professional Appraisal Practice (USPAP). In addition
12 to being prepared in compliance with USPAP, the Valuation Report was prepared in
13 accordance with the Code of Ethics and Standards of Professional Practice of the Appraisal
14 Institute.

15 **Q. What market value was determined for the subject property water and wastewater
16 systems?**

17 A. The report opines that the market value of the water system is \$17,400,000, and the market
18 value of the wastewater system is \$17,100,000.

19 **Q. Does the Valuation Report include detailed and/or itemized information and
20 calculations used to derive the appraised value cited above to include studies or
21 documents produced by other specialists, such as an engineer?**

22 A. Yes. The appraisal includes the engineering report referenced above. Further, the appraisal

1 was prepared after consideration on three different methodologies; the cost approach, sales
2 comparison approach, and income capitalization approach (See Application, App. C
3 (Valuation Report), pp. 10-12). The detailed discussion of these three approaches is found
4 on pp. 26-78 of the Valuation Report (Application, App. C)).

5 The resulting analysis included the application of the cost approach and the sales
6 comparison approach. As explained in the report, the income capitalization approach is not
7 customarily relied on for the valuation of public water and wastewater systems acquired
8 by investor-owned entities.

9 The sales comparison approach included an analysis of transactions primarily from
10 Missouri and Illinois. As explained in the Valuation Report, the Illinois market is more
11 representative of a competitive market with balance in the supply and demand forces.

12 Based on a review of the market data available for both the cost approach and sales
13 comparison approach, we concluded that all emphasis should be placed on the value
14 opinion indicated by the sales comparison approach. The cost approach, which resulted in
15 a conclusion of value for the water system of \$35,900,000 and an opinion of market value
16 for the subject property wastewater system of \$59,500,000, is not considered reliable due
17 to the excessive cost estimates and the amount of depreciation. (Application, App. C
18 (Valuation Report), p. 79).

19 **III. APPRAISAL STANDARDS**

20 **Q. What is the significance of the USPAP standards?**

21 A. All appraisal assignments completed by state-certified real estate appraisers must comply
22 with the applicable Uniform Standards of Professional Appraisal Practice (USPAP), which

1 would be the 2024 Edition of USPAP in this situation. By design, USPAP provides the
2 general framework for an appraiser's conduct but leaves the ultimate decisions and
3 discretion to the appraiser regarding the application of the approaches to value, the scope
4 of work decisions that impact the extent and type of research and analysis, and ultimately
5 the development of the report communicating the opinion(s) of the appraiser.

6 **Q. What is the goal of the USPAP's scope of work rule?**

7 A. The objective of USPAP's scope of work rule is to assure that the valuation research and
8 analysis result in credible assignment results. According to USPAP, a scope of work is
9 acceptable when it meets or exceeds: (1) the expectations of parties who are regularly
10 intended users for similar assignments; and, (2) what an appraiser's peers' actions would
11 be in performing the same or similar assignment.

12 **Q. How do you assess the expectations of intended users?**

13 A. As a start, the appraisers rely on their own experience. The three appraisers that
14 participated in the Neosho valuation assignment collectively have extensive experience in
15 the valuation of water and wastewater utility systems. Their individual and collective
16 experiences include providing appraisal and/or valuation consulting services for buyers and
17 sellers in multiple states and for valuation assignments that required similar state regulatory
18 compliance that mandates appraisal services comporting with USPAP. In addition to our
19 own experiences, we review valuation reports prepared by other experienced valuation
20 experts as part of our customary research and analysis, which provides us with further
21 understanding of industry standards and typical client expectations. If the client and/or
22 intended users of the subject assignment require additional analysis, explanation,
23 clarification, etc., the appraisers will comply with the request and provide supplemental

1 data/analysis.

2 **Q: Based on your analysis and the appraisal standards applied, are the concluded**
3 **market values credible indicators of the market value of the Neosho water and**
4 **wastewater systems?**

5 A: Yes. Based on my analysis, experience, and the application of accepted appraisal
6 methodologies, the concluded market values reasonably reflect the market value of the
7 Neosho water and wastewater systems under current market conditions.

8 **Q. Does this conclude your Direct Testimony?**

9 A. Yes.

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/Co-op/Timeshare

Duck Clubs

Farms

Golf Courses/Country Clubs

Hotels and Motels

Industrial Plants and Warehouses

Mobile Home Parks

Office Buildings

Parks and Recreational Facilities

Planned Communities

Quarries/Mines

Railroad Properties

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

Urban Renewal (acquisition, reuse)

Utility Plants and Facilities

Vacant Land (commercial, industrial, residential, rural, agricultural)

Vessels

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, FDIC, 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 31 states: Arizona, Arkansas, California, Colorado, Connecticut, Florida, Georgia, Illinois, Indiana, Kansas, Kentucky, Louisiana, Massachusetts, Michigan, Minnesota, Mississippi, Missouri, Nebraska, New Mexico, New York, North Dakota, 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

2010 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 Real Estate

2013-2015 National Liaison Membership Chair

Appraisal Institute MAI Designation, Certificate Number 6103 -1980

St. Louis Association of Realtors

Royal Institution of Chartered Surveyors - 2006

St. Louis County Library Foundation Board of Directors - 2012-Present

The Marianist Retreat and Conference Center Board of Directors - 2012-Present

Real Estate Broker-Officer - 1999022989 - State of Missouri

Licensed Real Estate Managing Broker - 471.014130 - State of Illinois

Certified General Real Estate Appraiser - RA001300 - State of Missouri

Certified General Real Estate Appraiser - 553.001032 - State of Illinois