

Exhibit No.:
Issues: Proposed Transaction
Witness: James M. Jenkins
Exhibit Type: Direct
Sponsoring Party: Missouri-American Water Company
St. Louis County Water Company
d/b/a Missouri-American Water
Company
Jefferson City Water Works
Company d/b/a Missouri-American
Water Company
Case No.: WM-2001-309
Date: May 1, 2001

FILED³

MAY 01 2001



MISSOURI PUBLIC SERVICE COMMISSION

**Missouri Public
Service Commission**

CASE NO. WM-2001-309

DIRECT TESTIMONY

OF

JAMES M. JENKINS

ON BEHALF OF

MISSOURI-AMERICAN WATER COMPANY,

ST. LOUIS COUNTY WATER COMPANY

D/B/A MISSOURI-AMERICAN WATER COMPANY, AND

JEFFERSON CITY WATER WORKS COMPANY

D/B/A MISSOURI-AMERICAN WATER COMPANY

JEFFERSON CITY, MISSOURI

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DIRECT TESTIMONY

JAMES M. JENKINS

WITNESS INTRODUCTION

1 **Q. PLEASE STATE YOUR NAME AND BUSINESS ADDRESS.**

2 A. James M. Jenkins, 535 N. New Ballas Rd., St. Louis, Missouri.

3 **Q. BY WHOM ARE YOU EMPLOYED AND IN WHAT CAPACITY?**

4 A. I am Vice President and Treasurer for Missouri-American Water Company, St. Louis County
5 Water Company d/b/a Missouri-American Water Company and Jefferson City Water Works
6 Company d/b/a Missouri-American Water Company (collectively referred to as “Joint
7 Applicants”).

8 **Q. STATE YOUR QUALIFICATIONS AND EXPERIENCE IN THE FIELD OF**
9 **ACCOUNTING IN GENERAL, AND IN THE FIELD OF UTILITY ACCOUNTING**
10 **AND RATE REGULATION IN PARTICULAR.**

11 A. My background and qualifications are summarized in Schedule JMJ-1, which is attached
12 hereto and incorporated by reference.

13 **PURPOSE AND DESCRIPTION OF ENTITIES**

14 **Q. WHAT IS THE PURPOSE OF YOUR TESTIMONY?**

15 A. I will provide testimony in support of the Joint Applicants’ application to merge and, for
16 authority to perform in connection therewith, certain other related transactions.

1 **Q. PLEASE DESCRIBE MISSOURI-AMERICAN WATER COMPANY AND ITS**
2 **OPERATIONS.**

3 A. Missouri-American Water Company (“MAWC”) is a Missouri corporation with its principal
4 office and place of business at 535 N. New Ballas Road, St. Louis, Missouri 63141. MAWC
5 is a Missouri corporation in good standing and a Certificate of Good Standing from the
6 Office of the Missouri Secretary of State was filed with the Joint Application in this case and
7 is hereby incorporated by reference in accordance with Commission Rule 4 CSR 240-
8 2.060(2)(E).

9 MAWC provides water service to the public in and around the cities of St. Joseph, Joplin,
10 Brunswick, Mexico, Warrensburg, Parkville and parts of St. Charles County, Missouri. It
11 currently serves approximately 96,000 customers. MAWC is a “water corporation” and a
12 “public utility” as those terms are defined in Section 386.020 RSMo. 2000, and is subject to
13 the jurisdiction and supervision of the Commission as provided by law. MAWC currently
14 has a general rate case pending appeal before the Missouri Circuit Courts. MAWC has no
15 overdue Commission annual reports or assessment fees.

16 **Q. PLEASE DESCRIBE ST. LOUIS COUNTY WATER COMPANY D/B/A MISSOURI-**
17 **AMERICAN WATER COMPANY AND ITS OPERATIONS.**

18 A. St. Louis County Water Company (“SLCWC”) is a Missouri corporation legally authorized
19 to do business using the fictitious name of Missouri-American Water Company. A
20 registration certificate from the Missouri Secretary of State’s office authorizing SLCWC to
21 do business using such fictitious name was filed with the Joint Application in this case and
22 is hereby incorporated by reference in accordance with Commission Rule 4 CSR 240-
23 2.060(2)(E). The corporation’s principal office and place of business is located at 535 N.
24 New Ballas Road, St. Louis, Missouri 63141. SLCWC is a Missouri corporation in good

1 standing and a Certificate of Good Standing from the Office of the Missouri Secretary of
2 State was filed with the Joint Application in this case and is hereby incorporated by reference
3 in accordance with Commission Rule 4 CSR 240-2.060(2)(E).

4 SLCWC provides water service to the public in all of St. Louis County and parts of Jefferson
5 County, Missouri. SLCWC currently serves approximately 307,000 customers. SLCWC is
6 a “water corporation” and a “public utility” as those terms are defined in Section 386.020
7 RSMo. 2000, and is subject to the jurisdiction and supervision of the Commission as
8 provided by law. SLCWC currently has a general rate case pending before the Commission
9 which is case No. WR-2000-844. SLCWC has no overdue Commission annual reports or
10 assessment fees.

11 **Q. PLEASE DESCRIBE JEFFERSON CITY WATER WORKS COMPANY D/B/A**
12 **MISSOURI-AMERICAN WATER COMPANY AND ITS OPERATIONS.**

13 A. Jefferson City Water Works Company (“JCWWC”) is a Missouri corporation also legally
14 authorized to do business using the fictitious name of Missouri-American Water Company.
15 A registration certificate from the Missouri Secretary of State’s office authorizing JCWWC
16 to do business using such fictitious name was filed with the Joint Application in this case and
17 is hereby incorporated by reference in accordance with Commission Rule 4 CSR 240-
18 2.060(2)(E). The corporation’s principal office and place of business is located at 535 N.
19 New Ballas Road, St. Louis, Missouri 63141. JCWWC is a Missouri corporation in good
20 standing and a Certificate of Good Standing from the Office of the Missouri Secretary of
21 State was filed with the Joint Application in this case and is hereby incorporated by reference
22 in accordance with Commission Rule 4 CSR 240-2.060(2)(E).

23 JCWWC provides water service to the public in the city of Jefferson City, Missouri.

1 JCWWC currently serves approximately 9,000 customers. JCWWC is a “water corporation”
2 and a “public utility” as those terms are defined in Section 386.020 RSMo. 2000, and is
3 subject to the jurisdiction and supervision of the Commission as provided by law. JCWWC
4 has no actions pending which relate to customer rates. JCWWC has no overdue Commission
5 annual reports or assessment fees.

6 **Q. BY WHOM ARE THE JOINT APPLICANTS OWNED?**

7 A. All of the Joint Applicants are subsidiary companies of American Water Works Company,
8 Inc. (“American”). American is a corporation duly organized and existing under and by
9 virtue of the laws of the State of Delaware, with its principal office in Voorhees, New Jersey.
10 The common stock of American is publicly traded on the New York Stock Exchange.
11 American is the parent company of approximately 23 subsidiaries which provide water
12 service to more than 10 million people in 23 states. American is the largest investor-owned
13 water utility holding company in the United States. MAWC and SLCWC are first-tier
14 subsidiaries of American as all of their outstanding common stock is owned by American.
15 JCWWC is a second-tier subsidiary of American as all of its outstanding common stock is
16 owned by MAWC.

17 **PROPOSED TRANSACTION**

18 **Q. BRIEFLY DESCRIBE THE PROPOSED TRANSACTION FOR WHICH THE**
19 **JOINT APPLICANTS SEEK APPROVAL.**

20 A. Pursuant to two Agreements and Plans of Merger dated October 30, 2000, it is proposed that
21 SLCWC and JCWWC be merged with and into MAWC, with MAWC being the surviving
22 corporation. American will continue to own the surviving entity.

1 **Q. ARE THE SLCWC AND JCWWC MERGERS SEPARATE TRANSACTIONS?**

2 A. Yes. While they are related, each merger is governed by its own Agreement and Plan of
3 Merger.

4 **Q. PLEASE DESCRIBE THE SLCWC MERGER.**

5 A. Pursuant to the terms of the SLCWC Merger Agreement, all of the outstanding shares of
6 common stock of SLCWC shall be transferred from American to MAWC, and in exchange
7 for such shares, MAWC will transfer to American the number of shares of its common stock
8 (the "Issued Shares") which, when multiplied by the book value per share of such stock as
9 of the end of the month immediately preceding closing of the merger, results in an aggregate
10 book value for such transferred MAWC common stock equivalent to the aggregate book
11 value of the outstanding common stock of SLCWC as of that date. Thereafter, all of the
12 outstanding common shares of SLCWC will be canceled. A copy of the SLCWC Merger
13 Agreement is attached hereto and made a part hereof as **Schedule JMJ-2**.

14
15 In order to consummate the SLCWC Merger, MAWC will increase its authorized amount
16 of common stock to 40,000,000 shares by issuing an additional 29,000,000 shares of
17 common stock as provided for in the SLCWC Merger Agreement. It is currently estimated
18 that approximately 17,611,570 shares of MAWC common stock (the "Issued Shares") will
19 be necessary in order to effectuate the exchange for all of the outstanding stock of SLCWC.

20 **Q. PLEASE DESCRIBE THE JCWWC MERGER.**

21 A. Pursuant to the terms of the JCWWC Merger Agreement, JCWWC will merge into MAWC,
22 with MAWC remaining as the surviving corporation. Under the JCWWC Merger
23 Agreement, all of the common stock of JCWWC will be canceled. A copy of the JCWWC
24 Merger Agreement is attached hereto and made a part hereof as **Schedule JMJ-3**.

1 **Q. WHAT WILL BE THE RESULT OF THE MERGERS?**

2 A. From and after the effective date of the SLCWC Merger and the JCWWC Merger, by
3 operation of law, MAWC, the surviving corporation, will possess all rights, privileges,
4 powers, and franchises of a public and private nature which SLCWC, JCWWC and MAWC
5 possessed immediately prior to the SLCWC Merger and the JCWWC Merger, including all
6 certificates of convenience and necessity now held by the constituent companies. The
7 surviving corporation, MAWC, will continue all services provided by SLCWC and JCWWC
8 in the areas presently served by SLCWC and JCWWC, without interruption.

9 **Q. WILL THERE BE ANY CHANGE TO THE RATES OR TARIFFS CURRENTLY IN**
10 **EFFECT AS A RESULT OF THE MERGERS?**

11 A. No. From and after the effective date of the SLCWC and JCWWC Mergers and until such
12 time as a change(s), if any, may be approved by the Missouri Public Service Commission
13 (“Commission”), MAWC, as the surviving corporation, will maintain in effect the various
14 existing rates, rules, regulations, terms and conditions of service to the public heretofore
15 approved by the Commission and currently in effect for each of the service areas of MAWC,
16 including the areas previously served by SLCWC and JCWWC. No change to these existing
17 rates, rules, regulations, terms and conditions of service is proposed by this application.
18 MAWC would propose only to file an adoption tariff adopting the tariffs of SLCWC and
19 JCWWC.

20 **Q. IS THERE ADDITIONAL INFORMATION WHICH THE JOINT APPLICANTS**
21 **ARE REQUIRED TO PROVIDE BY COMMISSION RULE?**

22 A. Yes. In support of their Joint Application and in order to comply with Commission Rules,
23 the Joint Applicants provide the following:
24

1 A) A certified copy of the Unanimous Consent of the Board of Directors of MAWC
2 authorizing both the SLCWC Merger and JCWWC Merger and related transactions
3 contemplated by both the SLCWC Merger Agreement and the JCWWC Merger Agreement,
4 is attached hereto and made a part hereof as **Schedule JMJ-4**;

5 B) A certified copy of the Unanimous Consent of the Board of Directors of SLCWC
6 authorizing the SLCWC Merger and related transactions contemplated by the SLCWC
7 Merger Agreement, is attached hereto and made a part hereof as **Schedule JMJ-5**;

8 C) A certified copy of the Unanimous Consent of the Board of Directors of JCWWC
9 authorizing the JCWWC Merger and related transactions contemplated by the JCWWC
10 Merger Agreement is attached hereto and made a part hereof as **Schedule JMJ-6**;

11 D) An organizational chart/diagram depicting the corporate organizations of MAWC,
12 SLCWC, JCWWC and American immediately before and after the merger is attached hereto
13 and made a part hereof as **Schedules JMJ-7 and JMJ-8**, respectively;

14 E) A copy of the balance sheet and income statement of MAWC and SLCWC as of and
15 for the twelve months ended December 31, 1999, and showing the *pro forma* effect of the
16 SLCWC Merger on MAWC as the surviving corporation is attached hereto and made a part
17 hereof as **Schedule JMJ-9**; and,

18 F) A copy of the balance sheet and income statement of JCWWC as of and for the
19 twelve months ended December 31, 1999, and showing the *pro forma* effect of the JCWWC
20 Merger on MAWC (post SLCWC merger) as the surviving corporation is attached hereto and
21 made a part hereof as **Schedule JMJ-10**.

1 **Q. ARE THE PROPOSED TRANSACTIONS DETRIMENTAL TO THE PUBLIC**
2 **INTEREST?**

3 A. No. The proposed SLCWC Merger and the proposed JCWWC Merger will not be
4 detrimental to the public interest and, in fact, will be consistent with and advance the public
5 interest. MAWC is fully qualified, in all respects, to own and operate the systems currently
6 owned and operated by SLCWC and JCWWC and to otherwise provide sufficient and
7 efficient, safe, reliable, and affordable water service. As a result of the two mergers, the
8 combined entity, by virtue of its greater resources, will be better positioned to meet future
9 demands and to ensure that the high quality of service presently being provided is maintained
10 or enhanced.

11 MAWC, as the surviving corporation, will utilize the rates, rules, regulations and other tariff
12 provisions of SLCWC and JCWWC currently on file with and approved by the Commission
13 and will continue to provide service to the SLCWC and JCWWC customers under those
14 rates, rules, regulations and other tariff provisions until such time as they may be modified
15 according to law. As a consequence, SLCWC and JCWWC customers will continue to
16 experience quality day-to-day utility service at reasonable rates and the transaction will be
17 entirely transparent to them.

18 The SLCWC Merger and the JCWWC Merger will strengthen the competitive position of
19 MAWC, JCWWC and SLCWC because it will combine, into a single corporate entity, the
20 financial resources of all three companies. MAWC will be materially larger than any of the
21 pre-merger corporations. MAWC will be better known in the financial market, demonstrate
22 greater stability of earnings for coverage of fixed charges and preferred stock dividends and
23 thus be more attractive to potential investors. This is very important given the large capital
24 expenditures facing MAWC, JCWWC and SLCWC in the future. In short, as one company,

1 MAWC should be able to obtain lower overall financing costs. In addition, the
2 consummation of the SLCWC Merger and the JCWWC Merger will effect a desirable
3 simplification in the American Water System. The combination of all three companies will
4 reduce the corporate administration of the separate companies by eliminating two Boards of
5 Directors' and attendant shareholder activities and the maintenance of records therefore.
6 Moreover, a single set of corporate financial records will in result in ease of administration
7 and application.

8 Lastly, the SLCWC Merger and the JCWWC Merger will produce savings, which should
9 translate into lower rates for utility service than would otherwise be the case.

10 **Q. WILL THE TRANSACTIONS HAVE ANY IMPACT ON LOCAL TAX REVENUES?**

11 A. No. The SLCWC Merger and the JCWWC Merger will have no impact on the tax revenues
12 of the Missouri political subdivisions in which any of the structures, facilities or equipment
13 of MAWC, SLCWC and JCWWC are located.

14 **Q. WILL THE COMMISSION CONTINUE TO HAVE JURISDICTION OVER THE**
15 **SURVIVING CORPORATION AND THE FORMER SLCWC AND JCWWC**
16 **OPERATIONS?**

17 A. Yes. The Commission will retain its jurisdiction over MAWC after the SLCWC Merger and
18 the JCWWC Merger are completed. The SLCWC Merger and the JCWWC Merger will not
19 restrict access to MAWC's books and records as is reasonably necessary to carry out the
20 Commission's responsibilities with respect to MAWC's regulated operations, including
21 proper audits.

22 **Q. WHAT RELIEF DO THE JOINT APPLICANTS REQUEST?**

1 A. The Joint Applicants request that, pursuant to Section 393.190, RSMo. 2000, the
2 Commission approve the proposed mergers and, therefore, issue its order authorizing:

3 (a) The Joint Applicants to merge with and into MAWC, with MAWC being the
4 surviving corporation, and to otherwise accomplish the SLCWC Merger and the JCWWC
5 Merger, in accordance with the SLCWC Merger Agreement and the JCWWC Merger
6 Agreement attached to the Joint Application; and,

7 (b) MAWC, as the surviving corporation after the SLCWC Merger and the JCWWC
8 Merger, to provide water service in the current service territories of SLCWC and JCWWC
9 in accordance with the rules, regulations, rates and tariffs of SLCWC and JCWWC as may
10 be on file with and approved by the Commission as of the effective dates of the SLCWC
11 Merger and JCWWC Merger, except as otherwise provided for herein or as otherwise
12 ordered by the Commission; and,

13 (c) SLCWC and JCWWC, through the SLCWC Merger and the JCWWC Merger to
14 transfer to MAWC, as the surviving corporation, all of the properties, rights, privileges,
15 immunities, and obligations of SLCWC and JCWWC including, but not limited to, those
16 under SLCWC's and JCWWC's certificates of public convenience and necessity, works,
17 systems and franchises, and all securities, evidences of indebtedness and guarantees,
18 effective as of the date of the closing of the SLCWC Merger and the JCWWC Merger; and,

19 (d) MAWC to acquire and assume the stocks and bonds, other indebtedness and other
20 obligations of SLCWC and JCWWC, all as more particularly described in and pursuant to
21 the terms of the SLCWC Merger Agreement and the JCWWC Merger Agreement; and,

22 (e) MAWC, SLCWC and JCWWC to perform in accordance with the terms of the
23 SLCWC Merger Agreement and the JCWWC Merger Agreement; and,

24 (f) SLCWC and JCWWC to terminate their respective responsibilities as public utilities
25 in the State of Missouri as of the effective date of the SLCWC Merger and the JCWWC
26 Merger; and,

1 (g) MAWC, SLCWC and JCWWC to enter into, execute and perform in accordance with
2 the terms of all other documents and to take any and all actions which may be reasonably
3 necessary and incidental to the performance of the SLCWC Merger Agreement and the
4 JCWWC Merger Agreement; and,

5 (h) Granting such other relief as may be necessary and appropriate to accomplish the
6 purposes of the SLCWC Merger Agreement and the JCWWC Merger Agreement and this
7 Joint Application and to consummate the SLCWC Merger and the JCWWC Merger and
8 related transactions in accordance with the SLCWC Merger Agreement and the JCWWC
9 Merger Agreement and this Joint Application.

10 **Q. ARE THE JOINT APPLICANTS ASKING FOR A DETERMINATION AS TO THE**
11 **RATEMAKING TREATMENT TO BE AFFORDED ANY ASPECT OF THIS**
12 **TRANSACTION?**

13 A. No. The Joint Applicants understand that the Commission's approval of the Joint
14 Application will not constitute a finding by the Commission of the value of the transaction
15 for ratemaking purposes and that the Commission may reserve the right to consider the
16 ratemaking treatment to be afforded the approved transaction at a later time in any
17 appropriate proceeding.

18 **Q. DOES THIS COMPLETE YOUR DIRECT TESTIMONY?**

19 A. Yes, it does.

SCHEDULE JMJ-1

Background and Qualifications of James M. Jenkins

My name is James M. Jenkins. I am Vice President and Treasurer for Missouri-American Water Company, St. Louis County Water Company and Jefferson City Water Works Company, Inc.

I graduated from the University of Illinois, at Urbana/Champaign in 1983 with a Bachelor of Science Degree in Accounting and in 1992 received a M.B.A. Degree, with highest honors, from the University of Illinois, at Springfield. I have been a Certified Public Accountant since 1985, and currently hold a license to practice in the States of Illinois and Missouri.

Between 1983 and 1984 I was employed by McGladrey and Pullen as a staff accountant participating in financial audits and completing tax returns for firm clients.

Between 1984 and 1993 I was employed by the Illinois Commerce Commission and worked on a wide range of regulatory issues in the electric, gas, telephone and water industries. I joined the Illinois Commerce Commission's Accounting Department as a staff accountant in November 1984. In April 1987, I was promoted to the position of Auditing Section Chief responsible for directing the Auditing Staff's review of rate case filings, fuel reconciliation clauses and miscellaneous regulatory accounting issues. In November 1989, I was promoted to Director of Accounting responsible for all administrative, policy and supervisory functions within the Accounting Department. I held the position of Director of Accounting until joining St. Louis County Water Company in June 1993.

I began my career with St. Louis County Water Company in June, 1993 as an Assistant Manager in the Corporate Accounting Department. In December 1994, I was promoted to Manager of Rates within the Rates and Operations Analysis Department. At St. Louis County Water Company, I was responsible for the numerous accounting and financial areas contained within Company rate case filings, performing both technical and supervisory functions.

I was elected Vice President and Treasurer for both Missouri-American Water Company and St. Louis County Water Company in June 1999. I was elected Vice President and Treasurer for Jefferson City Water Works Company, Inc. in May 2000. I am currently responsible for directing the finance, treasury, business development and rate administration functions of all three companies.

I am a member of the American Institute of Certified Public Accountants and past member of the NARUC Staff Subcommittee on Accounts. Also, I am currently the Vice-Chairperson of the Rates and Revenue Committee of the National Association of Water Companies.

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (the "Plan") by and between Missouri-American Water Company, a Missouri corporation in good standing ("Missouri-American"), and St. Louis County Water Company d/b/a Missouri-American Water Company, a Missouri corporation in good standing ("SLCWC"), is dated as of the 30th day of October 2000.

WHEREAS, Missouri-American is authorized to issue 11,000,000 shares of its common stock, without par value, of which 8,787,680 shares are outstanding; 7,000 shares of 4¼% Cumulative Preferred Stock, of which no shares are outstanding; 25,000 shares of its 9.18% Cumulative Preferential Stock, of which 25,000 shares are outstanding; and 6,000 shares of its 5 7/8% Cumulative Preferred Stock, of which 2,160 shares are outstanding; 2,000 shares of unclassified Preferred Stock of which no shares are outstanding; 75,000 shares of unclassified Preferential Stock of which no shares are outstanding; and,

WHEREAS, SLCWC is authorized to issue 625,000 shares of its common stock, without par value, of which 550,000 shares are outstanding; and,

WHEREAS, all of the outstanding common stock of Missouri-American and SLCWC is owned by American Water Works Company, Inc., a Delaware corporation in good standing ("American"); and,

WHEREAS, the Boards of Directors of Missouri-American and SLCWC deem it advisable that the corporations adopt the Plan, and that SLCWC merge into Missouri-American in accordance with the provisions of the Missouri General and Business Corporation Law of 1943, as amended, (the "Law");

NOW, THEREFORE, Missouri-American and SLCWC agree as follows:

ARTICLE I

Merger and Surviving Corporation

1.01. Missouri-American and SLCWC shall merge into Missouri-American and Missouri-American shall be the surviving corporation.

1.02 The name of the surviving corporation shall be "Missouri-American Water Company." Missouri-American, as the surviving corporation, is sometimes referred to hereinafter as the "Surviving Corporation."

ARTICLE II

Effect of the Merger

2.01. The merger shall become effective as provided in the applicable laws of the State of Missouri. The date and time that the merger becomes effective shall be the first day of the first calendar month following the day that the Missouri Secretary of State issues a Certificate of Merger, and such date is sometimes referred to hereinafter as the "Effective Date."

2.02. On the Effective Date:

- (a) Missouri-American shall become the Surviving Corporation and the separate existence of SLCWC shall cease, except to the extent provided by the laws of the State of Missouri;
- (b) The Surviving Corporation shall, without further transfer, succeed to and thereafter possess and enjoy all of the rights, privileges, immunities, powers and franchises of a public as well as a private nature, of each of the corporations, and be subject to all of the restrictions, disabilities and duties of each of the corporations;
- (c) All property, real or personal, of the corporations, and all debts due to each of the corporations on whatever account, and all things in action, and all and every other interest, of or due to each of the corporations shall be taken and deemed to be transferred to and vested in the Surviving Corporation without further act or deed;
- (d) The title to any real estate, or any interest therein, vested by deed or otherwise in either of the corporations shall not revert or be in any way impaired by reason of the merger;
- (e) All rights of creditors and all liens upon the property of the corporations shall be preserved unimpaired by the merger, and all debts, liabilities, obligations and duties of the corporations shall become the responsibility and liability of the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities, obligations and duties had been incurred or contracted by it;

- (f) All corporate acts, plans, policies, arrangements, approvals and authorizations of Missouri-American, its shareholders, board of directors, officers and agents, which were valid and effective immediately prior to the Effective Date, shall be taken for all purposes as the acts, plans, policies, arrangements, approvals and authorizations of the Surviving Corporation and shall be as effective and binding thereon as the same were with respect to Missouri-American prior to the merger.

2.03. For the purposes of administering the Plan, the merger shall occur first in time and be effective prior to any merger between Missouri-American and Jefferson City Water Works Company.

ARTICLE III

Articles of Incorporation

The Articles of Incorporation of Missouri-American, as amended and restated (the "Restated and Amended Articles of Incorporation"), shall, immediately upon and after the effectiveness of the merger, be the Articles of Incorporation of the Surviving Corporation, subject always to the right of the Surviving Corporation further to amend its Articles of Incorporation in accordance with the laws of the State of Missouri as now or hereafter in effect. Pursuant to Section 6.02 herein, Article 3 of the Surviving Corporation's existing Articles of Incorporation, as amended, will have to be changed in order to increase its authorized amount of common stock.

ARTICLE IV

By-Laws

The by-laws of Missouri-American as existing and constituted on the Effective Date shall constitute the by-laws of the Surviving Corporation, subject always to the right of the Surviving Corporation to amend its by-laws in accordance with the laws of the State of Missouri as now or hereafter in effect.

ARTICLE V

Directors and Officers

The directors and officers of Missouri-American in office on the Effective Date shall continue in office as, and be and constitute, the directors and officers of the Surviving Corporation, each to hold office until his or her successor shall have been elected and shall have qualified or until his or her earlier resignation or removal.

ARTICLE VI

Conversion of Shares

6.01 On the Effective Date, the outstanding shares of common stock of SLCWC shall be exchanged for and converted into the number of shares of common stock of the Surviving Corporation which is determined by dividing the aggregate book value of the outstanding common stock of SLCWC at the end of the calendar month immediately preceding the Effective Date by the book value of one share of common stock of Missouri-American on such same date. To assure fair consideration in the percentage of ownership of each company, the utility plant acquisition balance was removed from Missouri-American's balance sheet. Upon completing the exchange, Missouri-American will then cancel all of the outstanding shares of SLCWC.

6.02 In order to accomplish the merger, it will be necessary for Missouri-American to increase its authorized amount of common stock to 40,000,000 by issuing an additional 29,000,000 shares. It is currently estimated that approximately 17,611,570 shares of Missouri-American common stock will be necessary in order to effectuate the exchange for all of the outstanding stock of SLCWC.

6.03 Certificates for shares of the Surviving Corporation shall be issued on the basis stated in Section 6.01 in place of and upon surrender of certificates for shares of SLCWC; provided, however, that upon the Effective Date the holders of said shares of SLCWC shall thereupon cease to be holders of said shares and shall be and become holders of shares of the Surviving Corporation upon the basis hereinabove specified, whether or not certificates representing shares of the Surviving Corporation are then issued and delivered.

ARTICLE VII

Accounting Matters

Upon the Effective Date, subject to such intercompany adjustments, eliminations or transfers as may be required to give effect to the merger: (a) the respective assets of each of the corporations and the Surviving Corporation shall be aggregated on the books of the Surviving Corporation in the amounts at which such assets were carried on their respective books immediately prior to the Effective Date; (b) the respective liabilities and reserves of each of the corporations and the Surviving Corporation (excluding paid-in capital and retained earnings) shall be aggregated on the books of the Surviving Corporation in the amounts at which such liabilities and reserves were carried on their respective books immediately prior to the Effective Date; and (c) the paid-in capital and retained earnings of each of the corporations and the Surviving Corporation shall be aggregated on the books of the Surviving Corporation as paid-in capital and retained earnings, respectively, in the amounts at which they were carried on their respective books immediately prior to the Effective Date.

ARTICLE VIII

Further Assurances

Missouri-American and SLCWC hereby agree that from time to time, as and when requested by the Surviving Corporation or by its successors and assigns, they will execute and deliver, or cause to be executed and delivered, all such deeds and other instruments and will take or cause to be taken such further or other actions as the Surviving Corporation may deem necessary or desirable in order to vest or perfect in, and confirm of record or otherwise to, the Surviving Corporation title to and possession of all their rights, privileges, powers and franchises and otherwise to carry out the purposes of the Plan.

ARTICLE IX

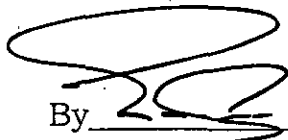
Termination

9.01. Anything herein or elsewhere to the contrary notwithstanding, the Plan may be terminated and abandoned by mutual consent of the Boards of Directors of the corporations at any time prior to the Effective Date.

9.02. In the event of the termination and abandonment of the Plan pursuant to the provisions of Section 9.01, the Plan shall become void and have no effect, without any liability on the part of either corporation, or their stockholders, directors or officers, in respect thereof.

IN WITNESS WHEREOF, each of the corporations has caused the Plan to be executed in its name by its President and its corporate seal to be affixed, attested by its Secretary, all as of the date first above written.

MISSOURI-AMERICAN WATER COMPANY

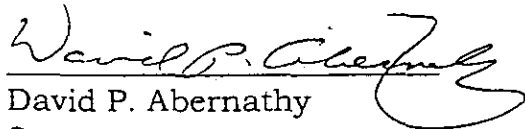


By _____

Eric W. Thornburg
President

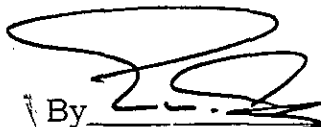
(SEAL)

ATTEST:



David P. Abernathy
Secretary

ST. LOUIS COUNTY WATER COMPANY d/b/a
MISSOURI-AMERICAN WATER COMPANY

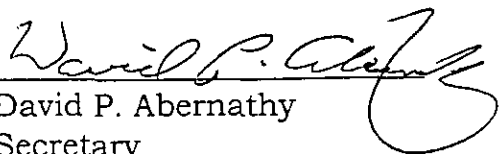


By

Eric W. Thornburg
President

SEAL)

ATTEST:



David P. Abernathy
Secretary

AGREEMENT AND PLAN OF MERGER

This Agreement and Plan of Merger (the "Plan") by and between Missouri-American Water Company, a Missouri corporation in good standing ("Missouri-American"), and Jefferson City Water Works Company, Inc., d/b/a Missouri-American Water Company, a Missouri corporation in good standing ("JCWWC"), is dated as of the 30th day of October 2000.

WHEREAS, Missouri-American is authorized to issue 11,000,000 shares of its common stock, without par value, of which 8,787,680 shares are outstanding; 7,000 shares of 4¼% Cumulative Preferred Stock, of which no shares are outstanding; 25,000 shares of its 9.18% Cumulative Preferential Stock, of which 25,000 shares are outstanding; and 6,000 shares of 5 7/8% Cumulative Preferred Stock, of which 2,160 shares are outstanding; 2,000 shares of unclassified Preferred Stock of which no shares are outstanding; 75,000 shares of unclassified Preferential Stock of which no shares are outstanding; and,

WHEREAS, JCWWC is authorized to issue 10,000 shares of its common stock, without par value, of which 6,000 shares are outstanding; and,

WHEREAS, all of the outstanding common stock of JCWWC is held by Missouri-American; and,

WHEREAS, the Board of Directors of Missouri-American and JCWWC deem it advisable that the corporations adopt the Plan, and that JCWWC merge with and into Missouri-American in accordance with the provisions of the Missouri General and Business Corporation Law of 1943, as amended (the "Law");

NOW, THEREFORE, Missouri-American and JCWWC agree as follows:

ARTICLE I

Merger and Surviving Corporation

1.01. Missouri-American and JCWWC shall merge into Missouri-American and Missouri-American shall be the surviving corporation.

1.02. The name of the surviving corporation shall be "Missouri-American Water Company." Missouri-American, as the surviving corporation, is sometimes referred to hereinafter as the "Surviving Corporation."

ARTICLE II

Effect of the Merger

2.01. The merger shall become effective as provided in the applicable laws of the State of Missouri. The date and time that the merger becomes effective shall be the first day of the first calendar month following the day that the Missouri Secretary of State issues a Certificate of Merger, and such date is sometimes referred to hereinafter as the "Effective Date."

2.02. On the Effective Date:

- (a) Missouri-American shall become the Surviving Corporation and the separate existence of JCWWC shall cease, except to the extent provided by the laws of the State of Missouri;
- (b) The Surviving Corporation shall, without further transfer, succeed to and thereafter possess and enjoy all of the rights, privileges, immunities, powers and franchises of a public as well as a private nature, of each of the corporations, and be subject to all of the restrictions, disabilities and duties of each of the corporations;
- (c) All property, real or personal, of the corporations, and all debts due to each of the corporations on whatever account, and all things in action, and all and every other interest, of or due to each of the corporations shall be taken and deemed to be transferred to and vested in the Surviving Corporation without further act or deed;
- (d) The title to any real estate, or any interest therein, vested by deed or otherwise in either of the corporations shall not revert or be in any way impaired by reason of the merger;
- (e) All rights of creditors and all liens upon the property of the corporations shall be preserved unimpaired by the merger, and all debts, liabilities, obligations and duties of the corporations shall become the responsibility and liability of the Surviving Corporation, and may be enforced against it to the same extent as if said debts, liabilities, obligations and duties had been incurred or contracted by it;

- (f) All corporate acts, plans, policies, arrangements, approvals and authorizations of Missouri-American, its shareholders, board of directors, officers and agents, which were valid and effective immediately prior to the Effective Date, shall be taken for all purposes as the acts, plans, policies, arrangements, approvals and authorizations of the Surviving Corporation and shall be as effective and binding thereon as the same were with respect to Missouri-American prior to the merger.

2.03. For the purposes of administering the Plan, the merger shall occur second in time and be effective subsequent to any merger between Missouri-American and St. Louis County Water Company.

ARTICLE III

Articles of Incorporation

The Articles of Incorporation of Missouri-American, as amended and restated (the "Restated and Amended Articles of Incorporation"), shall, immediately upon and after the effectiveness of the merger, be the Articles of Incorporation of the Surviving Corporation, subject always to the right of the Surviving Corporation further to amend its Articles of Incorporation in accordance with the laws of the State of Missouri as now or hereafter in effect. However, no changes to the existing Articles of Incorporation, as amended, of the Surviving Corporation shall be effected by the merger

ARTICLE IV

By-Laws

The by-laws of Missouri-American as existing and constituted on the Effective Date shall constitute the by-laws of the Surviving Corporation, subject always to the right of the Surviving Corporation to amend its by-laws in accordance with the laws of the State of Missouri as now or hereafter in effect.

ARTICLE V

Directors and Officers

The directors and officers of Missouri-American in office on the Effective Date shall continue in office as, and be and constitute, the directors and officers of the Surviving Corporation, each to hold office until his or her successor shall have been elected and shall have qualified or until his or her earlier resignation or removal.

ARTICLE VI

Conversion of Shares

On the Effective Date, the outstanding shares of common stock of JCWWC shall be cancelled.

ARTICLE VII

Accounting Matters

Upon the Effective Date, subject to such intercompany adjustments, eliminations or transfers as may be required to give effect to the merger: (a) the respective assets of each of the corporations and the Surviving Corporation shall be aggregated on the books of the Surviving Corporation in the amounts at which such assets were carried on their respective books immediately prior to the Effective Date; (b) the respective liabilities and reserves of each of the corporations and the Surviving Corporation (excluding paid-in capital and retained earnings) shall be aggregated on the books of the Surviving Corporation in the amounts at which such liabilities and reserves were carried on their respective books immediately prior to the Effective Date; and (c) the paid-in capital and retained earnings of each of the corporations and the Surviving Corporation shall be aggregated on the books of the Surviving Corporation as paid-in capital and retained earnings, respectively, in the amounts at which they were carried on their respective books immediately prior to the Effective Date.

ARTICLE VIII

Further Assurances

Missouri-American and JCWWC hereby agree that from time to time, as and when requested by the Surviving Corporation or by its successors and assigns, they will execute and deliver, or cause to be executed and delivered, all such deeds and other instruments and will take or cause to be taken such further or other actions as the Surviving Corporation may deem necessary or desirable in order to vest or perfect in, and confirm of record or otherwise to, the Surviving Corporation title to and possession of all their rights, privileges, powers and franchises and otherwise to carry out the purposes of the Plan.

ARTICLE IX

Termination

9.01. Anything herein or elsewhere to the contrary notwithstanding, the Plan may be terminated and abandoned by mutual consent of the Boards of Directors of the corporations at any time prior to the Effective Date.

9.02. In the event of the termination and abandonment of the Plan pursuant to the provisions of Section 9.01, the Plan shall become void and have no effect, without any liability on the part of either corporation, or their stockholders, directors or officers, in respect thereof.

IN WITNESS WHEREOF, each of the corporations has caused the Plan to be executed in its name by its President and its corporate seal to be affixed, attested by its Secretary, all as of the date first above written.

MISSOURI-AMERICAN WATER COMPANY

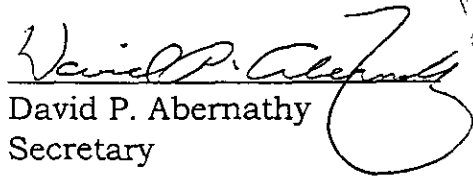


By _____


Eric W. Thornburg
President

(SEAL)

ATTEST:

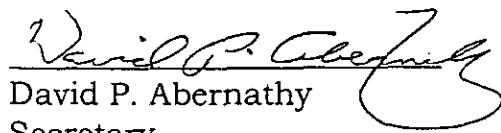

David P. Abernathy
Secretary

JEFFERSON CITY WATER WORKS COMPANY, INC.
d/b/a MISSOURI-AMERICAN WATER COMPANY


By _____
Eric W. Thornburg
President

(SEAL)

ATTEST:


David P. Abernathy
Secretary

MISSOURI-AMERICAN WATER COMPANY**Unanimous Consent of Directors**
(Without a Meeting)

The undersigned, being all members of the Board of Directors of Missouri-American Water Company (the "Company"), hereby waive all statutory and by-law requirements as to notice of time, place and purpose of a meeting thereof and consent in writing to the adoption of the following resolutions and agree that such resolutions shall have the same force and effect as though duly adopted at a meeting of such Directors duly called and held:

WHEREAS, the Company, a Missouri Corporation in good standing, plans to merge with St. Louis County Water Company d/b/a Missouri-American Water Company ("SLCWC") a Missouri Corporation in good standing, and Jefferson City Water Works Company d/b/a Missouri-American Water Company ("JCWWC"), a Missouri Corporation in good standing; and,

WHEREAS, the Company proposes to enter into a separate Agreement and Plan of Merger with both SLCWC (the "SLCWC Merger Agreement") and JCWWC (the "JCWWC Merger Agreement") which are attached hereto and made a part hereof as Appendixes A & B, respectively; and,

WHEREAS, American Water Works Company, Inc. ("American"), a Delaware Corporation in good standing, is the holder of all of the outstanding common stock of the Company and SLCWC; and,

WHEREAS, under the SLCWC Merger Agreement, American would exchange all of the outstanding common stock of SLCWC for authorized shares of common stock in the Company, based upon the book value of such respective shares; and, following the merger, the Company would be the surviving corporation, the Articles of Incorporation, By-Laws, and officers and directors of the Company would continue as those of the surviving corporation; and the Company, as the surviving corporation, would assume all of the assets, liabilities, and obligations of SLCWC; and,

WHEREAS, the Company is the holder of all of the outstanding common stock of JCWWC; and,

WHEREAS, under the JCWWC Merger Agreement, all of the outstanding common stock of JCWWC will be cancelled and, following

the merger, the Company would be the surviving corporation, the Articles of Incorporation, By-Laws, and officer and directors of the Company would continue as those of the surviving corporation; and the Company, as the surviving corporation, would assume all of the assets, liabilities, and obligations of SLCWC; and,

WHEREAS, pursuant to Sections 351.410 and 351.420 respectively, of the General and Business Corporation Law of Missouri ("GBCL"), the SLCWC Merger and the JCWWC Merger require the approval of the Board of Directors and Shareholders of the Company.

NOW, THEREFORE, BE IT

RESOLVED, that the merger of SLCWC and JCWWC with and into the Company, on substantially the terms and conditions contained in the respective SLCWC Merger Agreement and the JCWWC Merger Agreement, which are attached hereto and made a part hereof as Appendixes A & B, are hereby approved by the Board of Directors of the Company;

RESOLVED FURTHER, that the SLCWC Merger Agreement and the JCWWC Merger Agreement, as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval, be and hereby are approved as the plans of merger for the SLCWC Merger and the JCWWC Merger for purposes of the provisions of §351.410 of the GBCL;

RESOLVED FURTHER, that the SLCWC Merger Agreement and the JCWWC Merger Agreement, as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval, shall be submitted to a vote of the Shareholders;

RESOLVED FURTHER, that the proper officers of the Company be and hereby are authorized to take such steps, perform such actions and execute such documents, for and on behalf of the Company or themselves as officers of the Company, as they determine necessary, appropriate or advisable to effectuate the direction, purpose or intent of these resolutions and any resolutions adopted by the Shareholders with respect to the SLCWC Merger and the JCWWC Merger and/or the SLCWC Merger Agreement and the JCWWC Merger Agreement, the taking of such steps, performance of such actions or execution of such documents by such officers being conclusive evidence of such determination;

RESOLVED FURTHER, that without limiting the generality of the foregoing resolution, if the SLCWC Merger and the JCWWC Merger, and the SLCWC Merger Agreement and the JCWWC Merger

Agreement are duly approved by the Shareholders of the Company, the President of the Company be and hereby is authorized to execute on behalf of the Company the SLCWC Merger Agreement and the JCWWC Merger Agreement, as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval;

RESOLVED FURTHER, that without limiting the generality of the foregoing resolutions, the officers of the Company, or any one or more of them, are hereby authorized, in the name and on behalf of the Company and/or any wholly owned subsidiary thereof, to take such steps, perform such actions and execute such documents, as any of them may determine to be necessary or appropriate in connection with the SLCWC Merger and the JCWWC Merger and the SLCWC Merger Agreement and the JCWWC Merger Agreement (such determination to be conclusively evidenced by the taking of such step, performance of such action, or execution of such document by such officers or officer), in order to comply with the applicable laws of the United States and any states thereof, including without limitation the execution and filing of all documents, applications, reports, transfers of permits or licenses, surety bonds and irrevocable consents, and that the execution by such officers or officer of any such document or the doing by any of them of any act in connection with the foregoing shall conclusively, but not exclusively, establish their or his or her authority therefor from the Company and the approval and ratification by the Company of the documents so executed and the action so taken;

RESOLVED FURTHER, that any and all resolutions by any state or other jurisdictional authority in connection herewith or determined by such officers or officer to be necessary or appropriate and which are consistent with the foregoing are hereby adopted, and the Secretary is directed to attach copies of such resolutions to these resolutions;

RESOLVED FURTHER, that all actions heretofore taken by the officers of the Company in connection with the foregoing resolutions and the transactions contemplated thereby are hereby ratified, approved and confirmed in all respects.

WHEREAS, in order for the Company to be able to accomplish the SLCWC Merger per the terms and conditions contained in the SLCWC Merger Agreement, it will be necessary for the Company to increase its authorized shares of common stock to 40,000,000 by issuing an additional 29,000,00 shares of common stock; and,

WHEREAS, in order to effectuate this additional stock authorization, the Company's Articles of Incorporation, as amended, will have to be changed; and,

WHEREAS, pursuant to Section 351.090 of the GBCL the amendment to the Articles of Incorporation in order to effectuate the increase in the authorized amount of common stock requires the approval of the Board of Directors and Shareholders of the Company.

NOW, THEREFORE, BE IT

RESOLVED, that the first paragraph of Article Three of the Articles of Incorporation, as amended, of the Company is hereby further amended to read, in its entirety, as follows:

ARTICLE THREE

The aggregate number of shares which the Company shall have the authority to issue shall be 40,115,000 shares, divided into three classes:

15,000 shares of Cumulative Preferred Stock of the par value of \$100.00 per share (hereinafter called "CUMULATIVE PREFERRED STOCK");

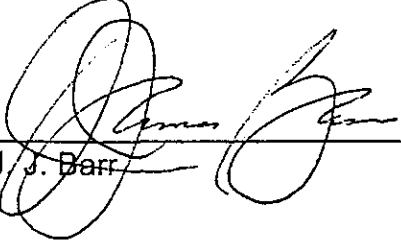
100,000 shares of Cumulative Preferential Stock of the par value of \$100.00 per share (hereinafter called "CUMULATIVE PREFERENTIAL STOCK");

40,000,000 shares of Common Stock without par value (hereinafter called "COMMON STOCK").


RESOLVED FURTHER, that the President, any Vice President, the Treasurer, any Assistant Treasurer, the Secretary or any Assistant Secretary of the Company be, and each of them is hereby authorized and empowered to do any and all such acts and things as they may deem necessary or advisable in order to carry out the intent and purpose of these resolutions, including the execution and filing of amendments to the Company's Articles of Incorporation.

All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

This action without a meeting of the Board of Directors is taken pursuant to the procedure established in Section 351.340 of the GBCL, and shall be effective as of October 31, 2000.



J. J. Barr



E. W. Thornburg



D. L. Kelleher

P. W. Ware

E. H. Gemmill



E. C. Wolf

G. C. Smith

This action without a meeting of the Board of Directors is taken pursuant to the procedure established in Section 351.340 of the GBCL, and shall be effective as of October 31, 2000.

J. J. Barr



E. W. Thornburg

D. L. Kelleher

P. W. Ware

E. H. Gemmill


E. C. Wolf



G. C. Smith

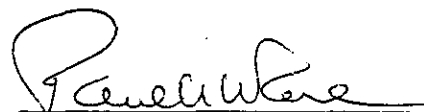
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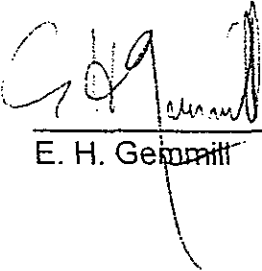
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P. W. Ware



E. H. Gemmill

E. C. Wolf

G. C. Smith

ST. LOUIS COUNTY WATER COMPANY d/b/a
MISSOURI-AMERICAN WATER COMPANY

Unanimous Consent of Directors
(Without a Meeting)

The undersigned, being all members of the Board of Directors of St. Louis County Water Company d/b/a Missouri-American Water Company (the "Company"), hereby waive all statutory and by-law requirements as to notice of time, place and purpose of a meeting thereof and consent in writing to the adoption of the following resolutions and agree that such resolutions shall have the same force and effect as though duly adopted at a meeting of such Directors duly called and held:

WHEREAS, the Company, a Missouri Corporation in good standing, plans to merge with and into Missouri-American Water Company ("MAWC") a Missouri Corporation in good standing; and,

WHEREAS, the Company proposes to enter into an Agreement and Plan of Merger with MAWC (the "SLCWC Merger Agreement") which is attached hereto and made a part hereof as Appendix A; and,

WHEREAS, American Water Works Company, Inc. ("American"), a Delaware Corporation in good standing, is the holder of all of the outstanding common stock of the Company and MAWC; and,

WHEREAS, under the SLCWC Merger Agreement, American would exchange all of the outstanding common stock of the Company for authorized shares of common stock in MAWC, based upon the book value of such respective shares; and, following the merger, MAWC would be the surviving corporation, the Articles of Incorporation, By-Laws, and officers and directors of MAWC would continue as those of the surviving corporation; and MAWC, as the surviving corporation, would assume all of the assets, liabilities, and obligations of the Company; and,

WHEREAS, pursuant to Sections 351.410 and 351.420 of the General and Business Corporation Law of Missouri ("GBCL"), the SLCWC Merger requires the approval of the Board of Directors and Shareholders of the Company.

NOW, THEREFORE, BE IT

RESOLVED, that the merger of the Company with and into MAWC, on substantially the terms and conditions contained in the respective

SLCWC Merger Agreement which is attached hereto and made a part hereof as Appendix A, is hereby approved by the Board of Directors of the Company;

RESOLVED FURTHER, that the SLCWC Merger Agreement, as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval, be and hereby is approved as the plan of merger for the SLCWC Merger for purposes of the provisions of §351.410 of the GBCL;

RESOLVED FURTHER, that the SLCWC Merger Agreement, as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval, shall be submitted to a vote of the Shareholders;

RESOLVED FURTHER, that the proper officers of the Company be and hereby are authorized to take such steps, perform such actions and execute such documents, for and on behalf of the Company or themselves as officers of the Company, as they determine necessary, appropriate or advisable to effectuate the direction, purpose or intent of these resolutions and any resolutions adopted by the Shareholders with respect to the SLCWC Merger or the SLCWC Merger Agreement, the taking of such steps, performance of such actions or execution of such documents by such officers being conclusive evidence of such determination;

RESOLVED FURTHER, that without limiting the generality of the foregoing resolution, if the SLCWC Merger and the SLCWC Merger Agreement are duly approved by the Shareholders of the Company, the President of the Company be and hereby is authorized to execute on behalf of the Company the SLCWC Merger as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval;

RESOLVED FURTHER, that without limiting the generality of the foregoing resolutions, the officers of the Company, or any one or more of them, are hereby authorized, in the name and on behalf of the Company and/or any wholly owned subsidiary thereof, to take such steps, perform such actions and execute such documents, as any of them may determine to be necessary or appropriate in connection with the SLCWC Merger and the SLCWC Merger Agreement (such determination to be conclusively evidenced by the taking of such step, performance of such action, or execution of such document by such officers or officer), in order to comply with the applicable laws of the United States and any states thereof, including without limitation the execution and filing of all documents, applications, reports, transfers of permits or licenses, surety bonds and irrevocable consents, and that


the execution by such officers or officer of any such document or the doing by any of them of any act in connection with the foregoing shall conclusively, but not exclusively, establish their or his or her authority therefor from the Company and the approval and ratification by the Company of the documents so executed and the action so taken;

RESOLVED FURTHER, that any and all resolutions by any state or other jurisdictional authority in connection herewith or determined by such officers or officer to be necessary or appropriate and which are consistent with the foregoing are hereby adopted, and the Secretary is directed to attach copies of such resolutions to these resolutions;

RESOLVED FURTHER, that all actions heretofore taken by the officers of the Company in connection with the foregoing resolutions and the transactions contemplated thereby are hereby ratified, approved and confirmed in all respects.

All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

This action without a meeting of the Board of Directors is taken pursuant to the procedure established in Section 351.340 of the General and Business Corporation Law of Missouri, and shall be effective as of October 31, 2000.



J. J. Barr



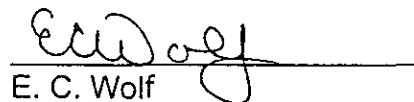
E. W. Thornburg



D. L. Kelleher

P. W. Ware

E. H. Gemmill



E. C. Wolf

G. C. Smith

the execution by such officers or officer of any such document or the doing by any of them of any act in connection with the foregoing shall conclusively, but not exclusively, establish their or his or her authority therefor from the Company and the approval and ratification by the Company of the documents so executed and the action so taken;

RESOLVED FURTHER, that any and all resolutions by any state or other jurisdictional authority in connection herewith or determined by such officers or officer to be necessary or appropriate and which are consistent with the foregoing are hereby adopted, and the Secretary is directed to attach copies of such resolutions to these resolutions;

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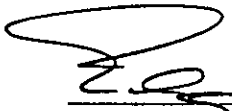
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RESOLVED FURTHER, that all actions heretofore taken by the officers of the Company in connection with the foregoing resolutions and the transactions contemplated thereby are hereby ratified, approved and confirmed in all respects.

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E. H. Gemmill

E. C. Wolf

G. C. Smith

JEFFERSON CITY WATER WORKS COMPANY, INC.,
d/b/a MISSOURI-AMERICAN WATER COMPANY

Unanimous Consent of Directors
(Without a Meeting)

The undersigned, being all members of the Board of Directors of Jefferson City Water Works Company, Inc., d/b/a Missouri-American Water Company (the "Company"), hereby waive all statutory and by-law requirements as to notice of time, place and purpose of a meeting thereof and consent in writing to the adoption of the following resolutions and agree that such resolutions shall have the same force and effect as though duly adopted at a meeting of such Directors duly called and held:

WHEREAS, the Company, a Missouri Corporation in good standing, plans to merge with and into Missouri-American Water Company ("MAWC"), a Missouri Corporation in good standing; and,

WHEREAS, the Company proposes to enter into an Agreement and Plan of Merger with MAWC (the "JCWWC Merger Agreement") which is attached hereto and made a part hereof as Appendix B; and,

WHEREAS, MAWC is the holder of all of the outstanding common stock of the Company; and,

WHEREAS, under the JCWWC Merger Agreement, the outstanding common stock of JCWWC will be cancelled; and, following the merger, MAWC would be the surviving corporation, the Articles of Incorporation, By-laws, and officers and directors of MAWC would continue as those of the surviving corporation; and MAWC, as the surviving corporation, would assume all of the assets, liabilities and obligations of JCWWC; and,

WHEREAS, pursuant to Sections 351.410 and 351.420 respectively, of the General and Business Corporation Law of Missouri ("GBCL"), the JCWWC Merger requires the approval of the Board of Directors and Shareholders of the Company.

NOW, THEREFORE, BE IT

RESOLVED, that the merger of the Company with and into MAWC, on substantially the terms and conditions contained in the JCWWC Merger Agreement, which is attached hereto and made a part hereof as Appendix B, is hereby approved by the Board of Directors of the Company.

RESOLVED FURTHER, that the JCWWC Merger Agreement, as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval, be and hereby is approved as the plan of merger for the JCWWC Merger for purposes of the provisions of §351.410 of the GBCL;

RESOLVED FURTHER, that the JCWWC Merger Agreement, as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval, shall be submitted to a vote of the Shareholders;

RESOLVED FURTHER, that the proper officers of the Company be and hereby are authorized to take such steps, perform such actions and execute such documents, for and on behalf of the Company or themselves as officers of the Company, as they determine necessary, appropriate or advisable to effectuate the direction, purpose or intent of these resolutions and any resolutions adopted by the shareholders with respect to the JCWWC Merger and the JCWWC Merger Agreement, the taking of such steps, performance of such actions or execution of such documents by such officers being conclusive evidence of such determination;

RESOLVED FURTHER, that without limiting the generality of the foregoing resolution, if the JCWWC Merger and the JCWWC Merger Agreement are duly approved by the Shareholders of the Company, the President of the Company be and hereby is authorized to execute on behalf of the Company the JCWWC Merger Agreement, as approved by the President of the Company, such officer's execution thereof being conclusive evidence of such approval;

RESOLVED FURTHER, that without limiting the generality of the foregoing resolutions, the officers of the Company, or any one or more of them, are hereby authorized, in the name and on behalf of the Company and/or any wholly owned subsidiary thereof, to take such steps, perform such actions and execute such documents, as any of them may determine to be necessary or appropriate in connection with the JCWWC Merger and the JCWWC Merger Agreement (such determination to be conclusively evidenced by the taking of such step, performance of such action, or execution of such document by such officers or officer), in order to comply with the applicable laws of the United States and any states thereof, including without limitation the execution and filing of all documents, applications, reports, transfers of permits or licenses, surety bonds and irrevocable consents, and that the execution by such officers or officer of any such document or the doing by any of them of any act in connection with the foregoing shall conclusively, but not exclusively, establish their or his or her authority therefor from the Company and the approval and ratification by the

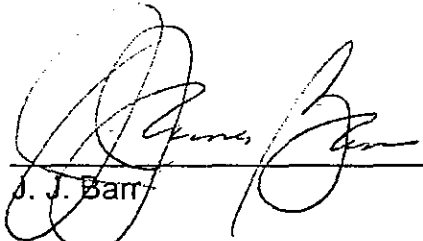
Company of the documents so executed and the action so taken;

RESOLVED FURTHER, that any and all resolutions by any state or other jurisdictional authority in connection herewith or determined by such officers or officer to be necessary or appropriate and which are consistent with the foregoing are hereby adopted, and the Secretary is directed to attach copies of such resolutions to these resolutions;


RESOLVED FURTHER, that all actions heretofore taken by the officers of the Company in connection with the foregoing resolutions and the transactions contemplated thereby are hereby ratified, approved and confirmed in all respects.

All signatures need not appear on the same counterpart of this consent, and all counterparts of this consent shall constitute one and the same instrument.

This action without a meeting of the Board of Directors is taken pursuant to the procedure established in Section 351.340 of the GBCL, and shall be effective as of October 31, 2000.



J. J. Barr



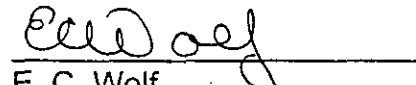
E. W. Thornburg



D. L. Kelleher

P. W. Ware

E. H. Gemmill



E. C. Wolf

G. C. Smith

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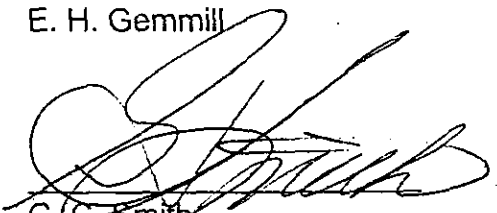
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Chart of Companies

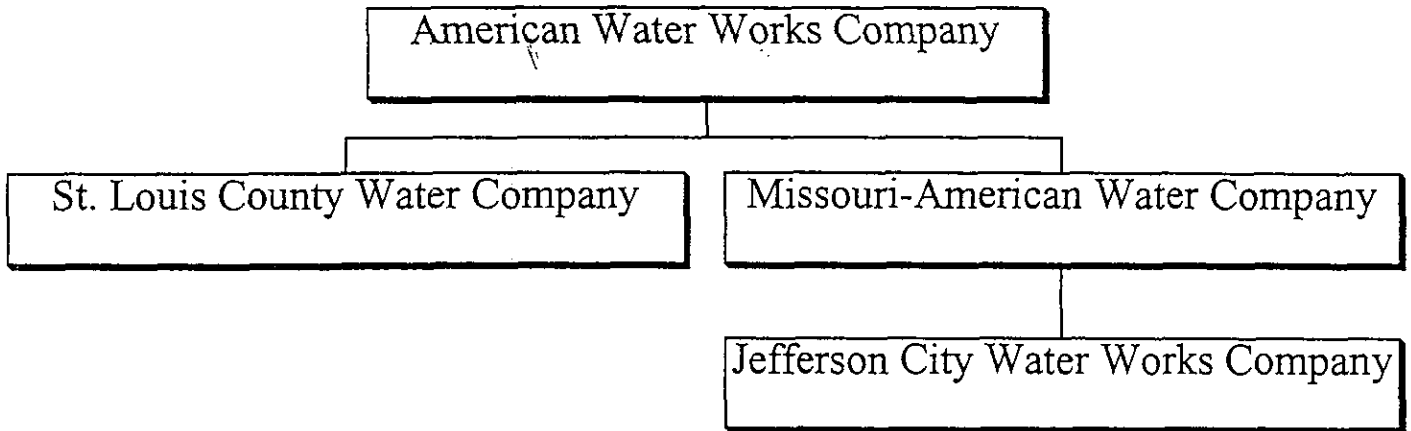
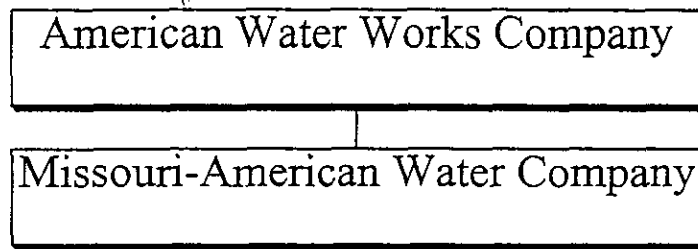


Chart of Companies



MISSOURI-AMERICAN WATER COMPANY (MERGED)
PRO FORMA BALANCE SHEET
AS OF SEPTEMBER 30, 2000

	MISSOURI-AMERICAN			ST. LOUIS COUNTY	COMBINED	ASSOC. COMPANY		MISSOURI-AMERICAN MERGED
	30-Sep-00	ACQUISITION ADJUSTMENT	ADJUSTED			ELIMINATIONS ST LOUIS COUNTY	ELIMINATIONS MISSOURI-AMERICAN	
ASSETS								
Utility Plant	\$ 227,936,936		\$ 227,936,936	\$ 520,217,595	\$ 748,154,531			\$ 748,154,531
Construction work in progress	3,494,823		3,494,823	4,514,014	8,008,837			8,008,837
Accumulated depreciation	(30,678,005)		(30,678,005)	(145,303,279)	(175,981,284)			(175,981,284)
Utility Plant acquisition adjustment	3,480,487	(3,460,487)	-	-	-			-
Other utility plant adjustments	-	-	-	-	-			-
NET UTILITY PLANT	204,214,241	(3,460,487)	200,753,754	379,428,330	580,182,084	-	-	580,182,084
NON-UTILITY PROPERTY	-	-	-	58,962	58,962	-	-	58,962
OTHER INVESTMENT	10,150,406	-	10,150,406	-	10,150,406	-	-	10,150,406
CURRENT ASSETS								
Cash	1,524,406		1,524,406	10,898,221	12,422,627			12,422,627
Temporary investment	-		-	-	-			-
Customer accounts receivables	2,461,107		2,461,107	6,269,907	8,731,014	(27,503)	27,503	8,731,014
Allowance for uncollectible	(89,067)		(89,067)	(275,376)	(344,443)			(344,443)
Unbilled revenues	2,322,582		2,322,582	13,803,017	16,125,599			16,125,599
FIT refund due from associated company	-		-	-	-			-
Miscellaneous receivables	158,670		158,670	2,080,094	2,238,764			2,238,764
Materials and supplies	533,214		533,214	2,970,880	3,504,094			3,504,094
Other	463,256		463,256	1,286,239	1,749,495			1,749,495
TOTAL CURRENT ASSETS	7,394,168	-	7,394,168	37,032,982	44,427,150	(27,503)	27,503	44,427,150
DEFERRED DEBITS								
Debts and preferred stock expense	4,213,478		4,213,478	7,885,457	11,898,935			11,898,935
Expense of rate proceedings	922,472		922,472	77,098	999,570			999,570
Preliminary survey and investigation	164,584		164,584	581,008	745,592			745,592
Reg assets-FAS 109	6,928,301		6,928,301	18,695,811	25,624,112			25,624,112
Reg assets-FAS 106	382,443		382,443	-	382,443			382,443
Deferred FIT assets	-		-	6,867,819	6,867,819			6,867,819
Deferred SIT assets	-		-	205,653	205,653			205,653
Other	1,694,144		1,694,144	2,758,762	4,452,906			4,452,906
TOTAL DEFERRED DEBITS	14,305,422	-	14,305,422	38,871,608	51,177,030	-	-	51,177,030
TOTAL ASSETS	\$ 236,064,237	\$ (3,460,487)	\$ 232,603,750	\$ 453,391,882	\$ 685,995,632	\$ (27,503)	\$ 27,503	\$ 685,995,632
CAPITAL AND LIABILITIES								
Common stock	\$ 55,094,075	\$ (1,384,195)	\$ 53,709,880	\$ 31,900,000	\$ 85,609,880			\$ 85,609,880
Paid-in-paid	-		-	2,764,716	2,764,716			2,764,716
Retained earnings	8,865,912		8,865,912	90,744,635	99,610,547			99,610,547
TOTAL COMMON EQUITY	63,959,987	(1,384,195)	62,575,792	125,409,351	187,985,143	-	-	187,985,143
Preferred stock	2,730,000		2,730,000	-	2,730,000			2,730,000
Long-term debt	93,100,000	(2,076,292)	91,023,708	142,198,600	233,222,308			233,222,308
TOTAL CAPITALIZATION	159,789,987	(3,460,487)	156,329,500	267,607,951	423,937,451	-	-	423,937,451
CURRENT LIABILITIES								
Bank debt-pending issuance to securities	22,795,051		22,795,051	-	22,795,051			22,795,051
Current portion of long-term debt	455,000		455,000	442,200	897,200			897,200
Account payable	2,945,870		2,945,870	1,073,777	4,019,647	(27,503)	27,503	4,019,647
Taxes accrued	1,067,985		1,067,985	7,390,117	8,458,102			8,458,102
Interest accrued	1,124,321		1,124,321	2,103,001	3,227,322			3,227,322
Customer deposits	-		-	617,371	617,371			617,371
Dividends declared	54,175		54,175	-	54,175			54,175
Other	2,431,905		2,431,905	3,137,985	5,569,890			5,569,890
TOTAL CURRENT LIABILITIES	30,874,307	-	30,874,307	14,764,451	45,638,758	(27,503)	27,503	45,638,758
DEFERRED CREDITS								
Customer advances for construction	6,490,095		6,490,095	45,855,898	52,145,993			52,145,993
Deferred income taxes	11,552,166		11,552,166	47,891,877	59,444,043			59,444,043
Reg-liab-income taxes refundable thru rates	222,466		222,466	7,808,352	8,030,818			8,030,818
Other	3,298,360		3,298,360	6,872,285	10,170,645			10,170,645
TOTAL DEFERRED CREDITS	21,563,087	-	21,563,087	108,228,412	129,791,499	-	-	129,791,499
CONTRIBUTION IN AID OF CONSTRUCTION	23,836,856	-	23,836,856	62,791,068	86,627,924	-	-	86,627,924
TOTAL CAPITAL AND LIABILITIES	\$ 236,064,237	\$ (3,460,487)	\$ 232,603,750	\$ 453,391,882	\$ 685,995,632	\$ (27,503)	\$ 27,503	\$ 685,995,632

MISSOURI-AMERICAN WATER COMPANY (MERGED)
PRO FORMA STATEMENT OF INCOME AND RETAINED EARNINGS
NINE MONTHS ENDING SEPTEMBER 30, 2000

	ST. LOUIS COUNTY	MISSOURI- AMERICAN	COMBINED	MERGER ELIMINATIONS	RECORD ORGANIZATION COSTS	MISSOURI- AMERICAN MERGER
OPERATING REVENUES	\$ 80,518,566	\$ 23,438,456	\$ 103,957,022			\$ 103,957,022
OPERATING EXPENSES						
Operation and maintenance	36,747,028	10,686,197	47,433,225			47,433,225
Depreciation	11,823,217	3,114,648	14,937,865			14,937,865
Taxes on operating income						
General	6,008,272	1,868,271	7,876,543			7,876,543
State income	1,104,655	264,762	1,369,417			1,369,417
Federal income	6,949,442	1,148,442	8,097,884			8,097,884
TOTAL OPERATING EXPENSES	<u>\$ 62,632,614</u>	<u>17,082,320</u>	<u>79,714,934</u>	-	-	<u>79,714,934</u>
UTILITY OPERATING INCOME	<u>17,885,952</u>	<u>6,356,136</u>	<u>24,242,088</u>	-	-	<u>24,242,088</u>
OTHER INCOME						
Allowance for funds used during construction	44,945	958,479	1,003,424			1,003,424
Dividend income	-	152,340	152,340			152,340
Miscellaneous other income	822,222	221,560	1,043,782			1,043,782
Gain (Loss)	<u>-</u>	<u>(3,177,861)</u>	<u>(3,177,861)</u>			<u>(3,177,861)</u>
TOTAL OTHER INCOME	<u>867,167</u>	<u>(1,845,482)</u>	<u>(978,315)</u>	-	-	<u>(978,315)</u>
OTHER DEDUCTIONS						
Amortization of preferred stock expense						
Amortization of utility plant adjustments		102,728	102,728			102,728
Miscellaneous other deductions	37,379	39,653	77,032			77,032
Taxes on other income and deductions						
General	4,320	933	5,253			5,253
State income	43,034	(81,041)	(38,007)			(38,007)
Federal income	273,852	(515,712)	(241,860)			(241,860)
TOTAL OTHER DEDUCTIONS	<u>358,585</u>	<u>(453,439)</u>	<u>(94,854)</u>	-	-	<u>(94,854)</u>
TOTAL OTHER INCOME (NET)	<u>508,582</u>	<u>(1,392,043)</u>	<u>(883,461)</u>	-	-	<u>(883,461)</u>
INCOME BEFORE INTEREST CHARGES	<u>18,394,534</u>	<u>4,964,093</u>	<u>23,358,627</u>	-	-	<u>23,358,627</u>
INTEREST CHARGES						
Interest on long-term debt	6,394,161	4,019,007	10,413,168			10,413,168
Amortization of debt expense	323,281	169,909	493,190			493,190
Interest on bank debt	11,092	1,092,575	1,103,667			1,103,667
Other interest	39,162	15,587	54,749			54,749
Allowance for borrowed funds used during construction	<u>(144,785)</u>	<u>(352,610)</u>	<u>(497,395)</u>			<u>(497,395)</u>
TOTAL INTEREST CHARGES	<u>6,622,911</u>	<u>4,944,468</u>	<u>11,567,379</u>	-	-	<u>11,567,379</u>
NET INCOME	<u>11,771,623</u>	<u>19,625</u>	<u>11,791,248</u>	-	-	<u>11,791,248</u>
RETAINED EARNINGS AT BEGINNING OF PERIOD	86,876,512	12,077,483	98,953,995			98,953,995
DIVIDENDS						
Preferred stock	-	182,657	182,657			182,657
Common stock	7,903,500	3,048,539	10,952,039			10,952,039
TOTAL DIVIDENDS	<u>7,903,500</u>	<u>3,231,196</u>	<u>11,134,696</u>	-	-	<u>11,134,696</u>
RETAINED EARNINGS AT END OF PERIOD	<u>\$ 90,744,635</u>	<u>\$ 8,865,912</u>	<u>\$ 99,610,547</u>	\$ -	\$ -	<u>\$ 99,610,547</u>

SCHEDULE JMJ-10

MISSOURI-AMERICAN WATER COMPANY (MERGED)
PRO FORMA BALANCE SHEET
AS OF SEPTEMBER 30, 2000

	JEFFERSON CITY	ADJUSTMENT RELATED TO PURCHASED	JEFFERSON CITY ADJUSTED	MISSOURI-AMERICAN	COMBINED	MERGER ELIMINATIONS	ASSOC. COMPANY ELIMINATIONS		MISSOURI-AMERICAN MERGED
							JEFFERSON CITY	MISSOURI-AMERICAN	
ASSETS									
Utility Plant	\$ 15,201,812	\$ (873,326)	\$ 14,418,286	\$ 748,154,531	\$ 762,572,817				\$ 763,572,817
Construction work in progress	50,788		50,788	8,008,837	8,059,625				8,059,625
Accumulated depreciation	(3,124,763)	198,324	(2,926,439)	(175,961,204)	(178,969,723)				(178,969,723)
Utility plant acquisition adjustment								1,014,749	1,014,749
Other utility plant adjustments									
NET UTILITY PLANT	12,217,837	(677,002)	11,540,835	580,192,094	591,722,719	1,014,749			592,737,468
NON-UTILITY PROPERTY			58,982		58,982				58,982
OTHER INVESTMENT			10,150,408		10,150,408	(10,150,408)			
CURRENT ASSETS	438,476		438,476	12,422,827	12,861,103		1,122,695	(1,022,695)	12,961,103
Cash									
Temporary investment									
Customer accounts receivables	613,949		613,949	8,731,014	9,344,963				9,344,963
Allowance for uncollectible	3,712		3,712	(344,443)	(340,731)				(340,731)
Unbilled revenues	253,214		253,214	16,125,399	16,378,613				16,378,613
FIT refund due from associated company									
Miscellaneous receivables	1,125,953		1,125,953	2,238,764	3,364,717		(1,122,695)	1,022,695	3,364,717
Materials and supplies	128,820		128,820	3,504,094	3,632,914				3,632,914
Other	7,783		7,783	1,749,495	1,757,278				1,757,278
TOTAL CURRENT ASSETS	2,571,907		2,571,907	44,427,150	46,999,057				48,998,057
DEFERRED DEBITS									
Debits and preferred stock expense									
Expense of rate proceedings	187,141		187,141	11,898,935	11,898,935				11,898,935
Preliminary survey and investigation	2,854		2,854	999,570	1,186,711				1,186,711
Reg assets-FAS 106	711,326	78,810	791,136	25,624,112	26,415,248				26,415,248
Reg assets-FAS 106									
Deferred FIT assets									
Deferred SIT assets	194,342		194,342	6,867,819	7,062,161				7,062,161
Other				205,653	205,653				205,653
				4,452,908	4,647,248				4,647,248
TOTAL DEFERRED DEBITS	1,075,463	79,810	1,155,273	51,177,030	52,332,303				52,332,303
TOTAL ASSETS	\$ 15,885,007	\$ (697,192)	\$ 15,287,815	\$ 645,995,632	\$ 701,263,447	\$ (8,135,657)			\$ 692,127,790
CAPITAL AND LIABILITIES									
Common stock	600,000		600,000	65,608,680	66,208,680	\$ (600,000)			\$ 65,608,680
Paid-in-kind	6,797,323		6,797,323	2,764,716	9,562,039	(8,797,323)			2,764,716
Retained earnings	3,061,324	(1,016,748)	2,044,576	95,610,547	101,655,123	(1,734,334)			98,916,789
TOTAL COMMON EQUITY	10,458,647	(1,016,748)	9,441,899	187,985,143	197,427,042	(8,135,657)			188,291,385
Preferred stock				2,730,000	2,730,000				2,730,000
Long-term debt				233,222,308	233,222,308				233,222,308
TOTAL CAPITALIZATION	10,458,647	(1,016,748)	9,441,899	423,937,451	433,379,350	(8,135,657)			424,243,693
CURRENT LIABILITIES	702,136		702,136	22,795,051	23,497,187				23,497,187
Bank debt-pending issuance to securities									
Current portion of long-term debt				897,200	897,200				897,200
Account payable	121,820		121,820	4,019,647	4,141,467				4,141,467
Taxes accrued	226,349		226,349	4,456,102	4,682,451				4,682,451
Interest accrued	2,577		2,577	3,227,322	3,229,899				3,229,899
Customer deposits	338		338	617,371	617,709				617,709
Dividends declared	340,489	419,558	800,025	5,475	54,175				54,175
Other				5,589,890	6,369,915				6,369,915
TOTAL CURRENT LIABILITIES	1,433,729	419,558	1,853,285	45,638,758	47,492,043				47,492,043
DEFERRED CREDITS									
Customer advances for construction									
Deferred income taxes	1,650,001		1,650,001	52,145,993	52,145,993				52,145,993
Rep-Inst-income taxes refundable thru rates	65,430		65,430	61,094,044	61,094,044				61,094,044
Other	(10,453)		(10,453)	8,096,248	8,096,248				8,096,248
TOTAL DEFERRED CREDITS	1,704,978		1,704,978	121,336,285	121,336,285				121,336,285
CONTRIBUTION IN AID OF CONSTRUCTION	2,287,652		2,287,652	86,272,924	88,560,576				88,560,576
TOTAL CAPITAL AND LIABILITIES	\$ 15,885,007	\$ (697,192)	\$ 15,287,815	\$ 645,995,632	\$ 701,263,447	\$ (8,135,657)			\$ 692,127,790

MISSOURI-AMERICAN WATER COMPANY (MERGED)
 PRO FORMA STATEMENT OF INCOME AND RETAINED EARNINGS
 NINE MONTHS ENDING SEPTEMBER 30, 2000

	JEFFERSON CITY	ADJUSTMENT RELATED TO PURCHASED	JEFFERSON CITY ADJUSTED	MISSOURI- AMERICAN	RECORD COMBINED	MISSOURI- MERGER ELIMINATIONS	ORGANIZATION COSTS	AMERICAN MERGER
OPERATING REVENUES	\$ 1,787,819	-	\$ 1,787,819	\$ 103,957,022	\$ 105,744,841			\$ 105,744,841
OPERATING EXPENSES								
Operation and maintenance	822,070		822,070	47,433,225	48,255,295			48,255,295
Depreciation	158,368		158,368	14,937,865	15,096,233			15,096,233
Taxes on operating income								
General	90,797		90,797	7,876,543	7,967,340			7,967,340
State income	37,189		37,189	1,369,417	1,406,606			1,406,606
Federal income	235,355		235,355	8,097,884	8,333,239			8,333,239
TOTAL OPERATING EXPENSES	1,343,779	-	1,343,779	79,714,934	81,058,713			81,058,713
UTILITY OPERATING INCOME	444,040	-	444,040	24,242,088	24,686,128			24,686,128
OTHER INCOME								
Allowance for funds used during construction	139		139	1,003,424	1,003,563			1,003,563
Dividend income	-		-	152,340	152,340	(152,340)		-
Miscellaneous other income	31,579		31,579	1,043,782	1,075,361			1,075,361
Gain (Loss)	-		-	(3,177,861)	(3,177,861)			(3,177,861)
TOTAL OTHER INCOME	31,718	-	31,718	(978,315)	(946,597)	(152,340)		(1,098,937)
OTHER DEDUCTIONS								
Amortization of preferred stock expense				102,728	102,728			102,728
Amortization of utility plant adjustments				77,032	78,534			78,534
Miscellaneous other deductions	1,502		1,502					
Taxes on other income and deductions								
General	-		-	5,253	5,253			5,253
State income	1,568		1,568	(38,007)	(36,439)			(36,439)
Federal income	9,978		9,978	(241,860)	(231,882)			(231,882)
TOTAL OTHER DEDUCTIONS	13,048	-	13,048	(94,854)	(81,806)			(81,806)
TOTAL OTHER INCOME (NET)	18,670	-	18,670	(883,461)	(864,791)	(152,340)		(1,017,131)
INCOME BEFORE INTEREST CHARGES	462,710	-	462,710	23,358,627	23,821,337	(152,340)		23,668,997
INTEREST CHARGES								
Interest on long-term debt	-		-	10,413,168	10,413,168			10,413,168
Amortization of debt expense	-		-	493,190	493,190			493,190
Interest on bank debt	3,517		3,517	1,103,667	1,107,184			1,107,184
Other interest	739		739	54,749	55,488			55,488
Allowance for borrowed funds used during construction	(128)		(128)	(497,395)	(497,523)			(497,523)
TOTAL INTEREST CHARGES	4,128	-	4,128	11,567,379	11,571,507			11,571,507
NET INCOME	458,582	-	458,582	11,791,248	12,249,830	(152,340)		12,097,490
RETAINED EARNINGS AT BEGINNING OF PERIOD	2,755,082	(1,016,748)	1,738,334	98,953,995	100,692,329	(1,738,334)		98,953,995
DIVIDENDS								
Preferred stock	-		-	182,657	182,657			182,657
Common stock	152,340		152,340	10,952,039	11,104,379	(152,340)		10,952,039
TOTAL DIVIDENDS	152,340	-	152,340	11,134,696	11,287,036	(152,340)		11,134,696
RETAINED EARNINGS AT END OF PERIOD	3,061,324	(1,016,748)	2,044,576	99,610,547	101,655,123	(1,738,334)		99,916,789

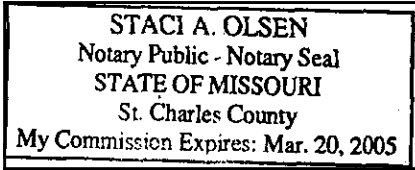
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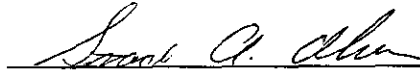
State of Missouri)
) ss
County of St. Louis)

I, James M. Jenkins, having been duly sworn upon my oath, state that I am the Vice President and Treasurer for Missouri-American Water Company, St. Louis County Water Company and Jefferson City Water Works Company, and that the matters and things stated in the foregoing Direct Testimony and Schedules thereto are true and correct to the best of my information, knowledge and belief.



Subscribed and sworn before me this 30th day of April, 2001.





Notary Public