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RICHARD T. CIOTTONE

November 14, 2000

FILED³

NOV 14 2000 *rh*

Missouri Public
Service Commission

Mr. Dale Hardy Roberts
Public Service Commission
P. O. Box 360
Jefferson City, MO 65102

**RE: 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 - Case No. ~~WA-2001-~~_____**

WM-2001-309

Dear Mr. Roberts:

Enclosed for filing please find an original and eight copies of a Joint Application. Please stamp the enclosed extra copy "filed" and return same to me.

If you have any questions concerning this matter, then please do not hesitate to contact me. Thank you very much for your attention to this matter.

Sincerely,

BRYDON, SWEARENGEN & ENGLAND P.C.

By:

DLC
Dean L. Cooper

DLC/rhg

Enclosures

cc: Office of the Public Counsel
General Counsel
Mr. David Abernathy

BEFORE THE PUBLIC SERVICE COMMISSION
OF THE STATE OF MISSOURI

FILED³

NOV 14 2000

Missouri Public
Service Commission

In the matter of the Joint Application 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 for)
authority to merge 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 with and into Missouri-American)
Water Company and, in connection)
therewith certain other related transactions.)

Case No.

WM-2001-309

JOINT APPLICATION

COME NOW Missouri-American Water Company ("MAWC"), St. Louis County Water Company d/b/a Missouri-American Water Company ("SLCWC"), and Jefferson City Water Works Company, Inc., d/b/a Missouri-American Water Company ("JCWWC") (hereinafter referred to jointly as the "Joint Applicants"), pursuant to Section 393.190, RSMo. 1994 and 4 CSR 240-2.060(8), and for their Joint Application respectfully state as follows to the Missouri Public Service Commission (the "Commission"):

THE APPLICANTS

1. MAWC is a Missouri corporation with its principal office and place of business at 535 N. New Ballas Road, St. Louis, Missouri 63141. MAWC is a Missouri corporation in good standing and a Certificate of Good Standing from the Office of the Missouri Secretary of State is attached hereto and made a part hereof for all purposes as Appendix 1. MAWC currently provides water service to the public in and around the cities of St. Joseph, Joplin, Brunswick, Mexico, Warrensburg, Parkville and parts of St. Charles County, Missouri. MAWC currently serves approximately 96,000 customers. MAWC is a "water corporation" and a "public utility" as those terms are defined in Section 386.020 RSMo. Supp. 1999, and is subject to the jurisdiction and supervision of the Commission as provided by law. MAWC currently has a general rate case pending

appeal before the Missouri Circuit Courts. MAWC has no overdue Commission annual reports or assessment fees.

2. SLCWC is a Missouri corporation legally authorized to do business using the fictitious name of Missouri-American Water Company and a registration certificate from the Missouri Secretary of State's office authorizing SLCWC to do business using such fictitious name is attached hereto and made a part hereof for all purposes as Appendix 2. The corporation's principal office and place of business is located at 535 N. New Ballas Road, St. Louis, Missouri 63141. SLCWC is a Missouri corporation in good standing and a Certificate of Good Standing from the Office of the Missouri Secretary of State is attached hereto and made a part hereof for all purposes as Appendix 3. SLCWC currently provides water service to the public in all of St. Louis County and parts of Jefferson County, Missouri. SLCWC currently serves approximately 307,000 customers. SLCWC is a "water corporation" and a "public utility" as those terms are defined in Section 386.020 RSMo. Supp. 1999, and is subject to the jurisdiction and supervision of the Commission as provided by law. SLCWC currently has a general rate case pending before the Commission which is case No. WR-2000-844. SLCWC has no overdue Commission annual reports or assessment fees.

3. JCWWC is a Missouri corporation legally authorized to do business using the fictitious name of Missouri-American Water Company and a registration certificate from the Missouri Secretary of State's office authorizing JCWWC to do business using such fictitious name is attached hereto and made a part hereof for all purposes as Appendix 4. The corporation's principal office and place of business is located at 535 N. New Ballas Road, St. Louis, Missouri 63141. JCWWC is a Missouri corporation in good standing and a Certificate of Good Standing from the Office of the Missouri Secretary of State is attached hereto and made a part hereof for all purposes as Appendix 5. JCWWC currently provides water service to the public in the city of Jefferson City, Missouri. JCWWC currently serves approximately 9,000 customers. JCWWC is a "water corporation" and a "public utility" as those terms are defined in Section 386.020 RSMo. Supp. 1999, and is subject to the jurisdiction and supervision of the Commission as provided by law. JCWWC has a "second-step" general rate increase that will go into

effect in December of 2000. JCWWC has no overdue Commission annual reports or assessment fees.

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

6. All of the Joint Applicants may be reached by contacting David P. Abernathy via any of the means listed herein below. In addition, Pleadings, Notices, Orders and other correspondence and communications concerning this Joint Application and proceeding should be addressed to:

David P. Abernathy
Vice President, Corporate Counsel
& Secretary
Missouri-American Water Company
St. Louis County Water Company
Jefferson City Water Works Company
535 N. New Ballas Road
St. Louis, MO 63141
(314) 996-2276
(314) 997-2451 fax
E-Mail: dabernathy@mawc.com

Dean L. Cooper
William R. England, III
Brydon, Swearingen & England P.C.
312 E. Capitol Avenue
P.O. Box 456
Jefferson City, MO 65102
(573) 635-7166
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THE TRANSACTIONS

SLCWC

7. On October 30, 2000, MAWC entered into an Agreement and Plan of Merger with SLCWC (the "SLCWC Merger Agreement") pursuant to which SLCWC will be merged with and into MAWC, with MAWC being the surviving corporation (the "SLCWC Merger").

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

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

10. As a result of the SLCWC Merger Agreement, American will directly own 100% of the outstanding common stock of the merged entity, MAWC.

JCWWC

11. On October 30, 2000, MAWC entered into an Agreement and Plan of Merger with JCWWC (the "JCWWC Merger Agreement") pursuant to which both companies will be merged with and into MAWC, with MAWC being the surviving corporation (the "JCWWC Merger").

12. Pursuant to the terms of the JCWWC Merger Agreement, JCWWC will merge into MAWC, with MAWC remaining as the surviving corporation. Under the JCWWC Merger Agreement, all of the common stock of JCWWC will be cancelled. A copy of the JCWWC Merger Agreement is attached hereto and made a part hereof as Appendix 7.

RESULT OF MERGERS

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

14. From and after the effective date of the SLCWC and JCWWC Mergers and until such time as a change(s), if any, may be approved by the Missouri Public Service Commission ("Commission"), MAWC, as the surviving corporation, will maintain in effect the various existing rates, rules, regulations, terms and conditions of service to the public heretofore approved by the Commission and currently in effect for each of the service areas of MAWC, including the areas previously served by SLCWC and JCWWC. No change to these existing rates, rules, regulations, terms and conditions of service is proposed by this application.

15. The existing mortgage bonds and other indebtedness of SLCWC and JCWWC will be assumed by MAWC, pursuant to supplemental indentures and other appropriate instruments. JCWWC currently does not have any mortgage debt. The proposal contemplates that no further mortgage debt will be issued by MAWC except under its own general mortgage.

16. Applicants intend to consummate the SLCWC Merger and JCWWC Merger effective April 1, 2001, or as soon thereafter as possible, provided all regulatory approvals, stockholders' consents and other conditions precedent are obtained or satisfied.

ADDITIONAL DOCUMENTATION

17. A certified copy of the Unanimous Consent of the Board of Directors of MAWC authorizing both the SLCWC Merger and JCWWC Merger and related transactions contemplated by both the SLCWC Merger Agreement and the JCWWC Merger Agreement, is attached hereto and made a part hereof as Appendix 8.

18. A certified copy of the Unanimous Consent of the Board of Directors of SLCWC authorizing the SLCWC Merger and related transactions contemplated by the SLCWC Merger Agreement, is attached hereto and made a part hereof as Appendix 9.

19. A certified copy of the Unanimous Consent of the Board of Directors of JCWWC authorizing the JCWWC Merger and related transactions contemplated by the JCWWC Merger Agreement is attached hereto and made a part hereof as Appendix 10.

20. An organizational chart/diagram depicting the corporate organizations of MAWC, SLCWC, JCWWC and American immediately before and after the merger is attached hereto and made a part hereof as Appendices 11 & 12, respectively.

21. A copy of the balance sheet and income statement of MAWC and SLCWC as of and for the twelve months ended December 31, 1999, and showing the *pro forma*

effect of the SLCWC Merger on MAWC as the surviving corporation is attached hereto and made a part hereof as Appendix 13.

22. A copy of the balance sheet and income statement of JCWWC as of and for the twelve months ended December 31, 1999, and showing the *pro forma* effect of the JCWWC Merger on MAWC (post SLCWC merger) as the surviving corporation is attached hereto and made a part hereof as Appendix 14.

THE PUBLIC INTEREST

22. The proposed SLCWC Merger and the proposed JCWWC Merger will not be detrimental to the public interest and, in fact, will be consistent with and advance the public interest. MAWC is fully qualified, in all respects, to own and operate the systems currently owned and operated by SLCWC and JCWWC and to otherwise provide sufficient and efficient, safe, reliable, and affordable water service. As a result of the two mergers, the combined entity, by virtue of its greater resources, will be better positioned to meet future demands and to ensure that the high quality of service presently being provided is maintained or enhanced.

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

24. The SLCWC Merger and the JCWWC Merger will strengthen the competitive position of MAWC, JCWWC and SLCWC because it will combine, into a single corporate entity, the financial resources of all three companies. MAWC will be materially larger than any of the pre-merger corporations. MAWC will be better known in the financial market, demonstrate greater stability of earnings for coverage of fixed

charges and preferred stock dividends and thus be more attractive to potential investors. This is very important given the large capital expenditures facing MAWC, JCWWC and SLCWC in the future. In short, as one company, MAWC should be able to obtain lower overall financing costs. In addition, the consummation of the SLCWC Merger and the JCWWC Merger will effect a desirable simplification in the American Water System. The combination of all three companies will reduce the corporate administration of the separate companies by eliminating two Boards of Directors' and attendant shareholder activities and the maintenance of records therefore. Moreover, a single set of corporate financial records will in result in ease of administration and application.

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

IMPACT ON MISSOURI OPERATIONS

26. As indicated, the SLCWC Merger and the JCWWC Merger will have no detrimental impact on the customers of MAWC, SLCWC and JCWWC. Those customers will see no change in their day-to-day utility service as a result of the SLCWC Merger and the JCWWC Merger and they will continue to be served effectively and efficiently.

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

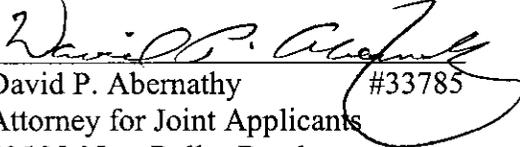
28. The Commission will retain its jurisdiction over MAWC after the SLCWC Merger and the JCWWC Merger are completed. The SLCWC Merger and the JCWWC Merger will not restrict access to MAWC's books and records as is reasonably necessary to carry out the Commission's responsibilities with respect to MAWC's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

WHEREFORE, Applicants respectfully request the Commission to issue an Order bearing an effective date of no later than March 16, 2001 authorizing:

- (a) The Applicants to merge with and into MAWC, with MAWC being the surviving corporation, and to otherwise accomplish the SLCWC Merger and the JCWWC Merger, in accordance with the SLCWC Merger Agreement and the JCWWC Merger Agreement attached hereto as Appendices 6 & 7 respectively; and,
- (b) MAWC, as the surviving corporation after the SLCWC Merger and the JCWWC Merger, to provide water service in the current service territories of SLCWC and JCWWC in accordance with the rules, regulations, rates and tariffs of SLCWC and JCWWC as may be on file with and approved by the Commission as of the effective dates of the SLCWC Merger and JCWWC Merger, except as otherwise provided for herein or as otherwise ordered by the Commission; and,
- (c) SLCWC and JCWWC, through the SLCWC Merger and the JCWWC Merger to transfer to MAWC, as the surviving corporation, all of the properties, rights, privileges, immunities, and obligations of SLCWC and JCWWC including, but not limited to, those under SLCWC's and JCWWC's certificates of public convenience and necessity, works, systems and franchises, and all securities, evidences of indebtedness and guarantees, effective as of the date of the closing of the SLCWC Merger and the JCWWC Merger; and,
- (d) MAWC to acquire and assume the stocks and bonds, other indebtedness and other obligations of SLCWC and JCWWC, all as more particularly described in and pursuant to the terms of the SLCWC Merger Agreement and the JCWWC Merger Agreement; and,
- (e) MAWC, SLCWC and JCWWC to perform in accordance with the terms of the SLCWC Merger Agreement and the JCWWC Merger Agreement; and,
- (f) SLCWC and JCWWC to terminate their respective responsibilities as public utilities in the State of Missouri as of the effective date of the SLCWC Merger and the JCWWC Merger; and,
- (g) MAWC, SLCWC and JCWWC to enter into, execute and perform in accordance with the terms of all other documents and to take any and all actions which may be reasonably necessary and incidental to the performance of the SLCWC Merger Agreement and the JCWWC Merger Agreement; and,

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

Respectfully Submitted,

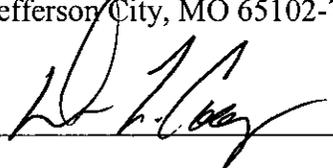

David P. Abernathy #33785
Attorney for Joint Applicants
535 N. New Ballas Road
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(314) 997-2451 (fax)
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Jefferson City, MO 65102-0456
(573) 635-7166
(573) 635-0427 (fax)
E-Mail: dcooper@brydonlaw.com

Certificate of Service

I hereby certify that two, true and correct copies of the above and foregoing document was sent by U.S. Mail, postage prepaid, or hand delivered on this 18th day of November, 2000, to:

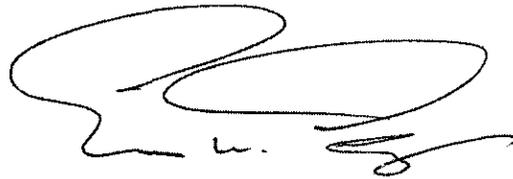
The Office of Public Counsel
Truman Building, Room 250
P.O. Box 7800
Jefferson City, MO 65102-7800



AFFIDAVIT

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

I, Eric W. Thornburg, having been duly sworn upon my oath, state that I am the President of St. Louis County Water Company d/b/a Missouri-American Water Company, that I am duly authorized to make this affidavit on behalf of St. Louis County Water Company d/b/a Missouri-American Water Company, and that the matters and things stated in the foregoing Joint Application and Appendices thereto are true and correct to the best of my information, knowledge and belief.



Eric W. Thornburg

Subscribed and sworn before me this 10th day of November, 2000.


Notary Public

My Commission expires:

*Staci A. Olsen, Notary Public
County Of St. Louis, State Of Missouri
My Commission Expires March 20, 2001*



No. 00001468

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION

CERTIFICATE OF CORPORATE GOOD STANDING

I, REBECCA McDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

MISSOURI-AMERICAN WATER COMPANY

was incorporated under the laws of this State on the 9th day of DECEMBER, 1879, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 27th day of OCTOBER, 2000.



Rebecca McDowell Cook
Secretary of State

X00377255

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

I, REBECCA MCDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody as Secretary of State show that

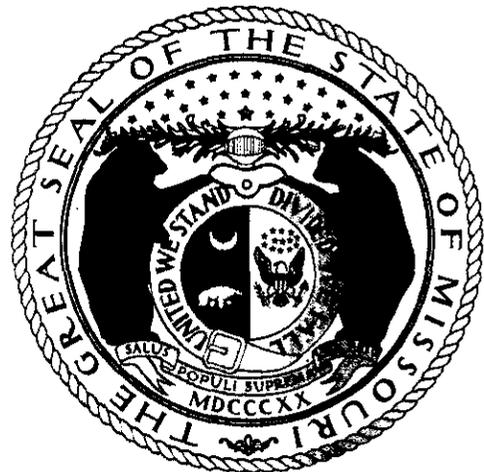
MISSOURI-AMERICAN WATER COMPANY

filed as a Registration of Fictitious Name in our office on the 14th day of August, 2000.

I further certify that the above Registration of Fictitious Name Is owned by ST. LOUIS COUNTY WATER COMPANY #00064981, a Missouri corporation in good standing.

In testimony whereof, I have set my hand and imprinted the Great Seal of the State of Missouri, on this, the 1st day of November, 2000.

Rebecca McDowell Cook
 Secretary of State



No. 00064981

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION

CERTIFICATE OF CORPORATE GOOD STANDING

I, REBECCA McDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

ST. LOUIS COUNTY WATER COMPANY

was incorporated under the laws of this State on the 8th day of DECEMBER, 1942, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 27th day of OCTOBER, 2000.

Rebecca McDowell Cook
 Secretary of State



X00377456

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

I, REBECCA MCDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody as Secretary of State show that

MISSOURI-AMERICAN WATER COMPANY

filed as a Registration of Fictitious Name in our office on the 14th day of August, 2000.

I further certify that the above Registration of Fictitious Name Is owned by JEFFERSON CITY WATER WORKS COMPANY #00029066 a Missouri corporation in good standing.

In testimony whereof, I have set my hand and imprinted the Great Seal of the State of Missouri, on this, the 1st day of November, 2000.

Rebecca McDowell Cook
 Secretary of State



No. 00029066

STATE OF MISSOURI



Rebecca McDowell Cook
Secretary of State

CORPORATION DIVISION

CERTIFICATE OF CORPORATE GOOD STANDING

I, REBECCA McDOWELL COOK, Secretary of State of the State of Missouri, do hereby certify that the records in my office and in my care and custody reveal that

JEFFERSON CITY WATER WORKS COMPANY

was incorporated under the laws of this State on the 2nd day of APRIL, 1913, and is in good standing, having fully complied with all requirements of this office.

IN TESTIMONY WHEREOF, I have set my hand and imprinted the GREAT SEAL of the State of Missouri, on this, the 27th day of OCTOBER, 2000.

Rebecca McDowell Cook
 Secretary of State



Appendix A**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

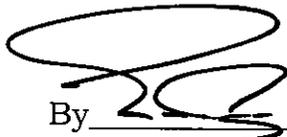
Termination

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

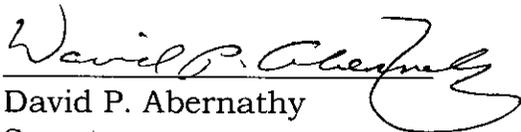


By _____

Eric W. Thornburg
President

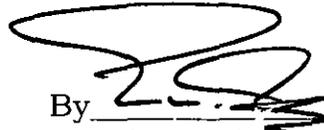
(SEAL)

ATTEST:



David P. Abernathy
Secretary

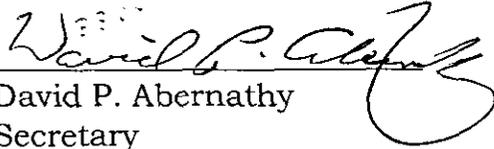
ST. LOUIS COUNTY WATER COMPANY d/b/a
MISSOURI-AMERICAN WATER COMPANY



By _____
Eric W. Thornburg
President

SEAL)

ATTEST:



David P. Abernathy
Secretary

Appendix B**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

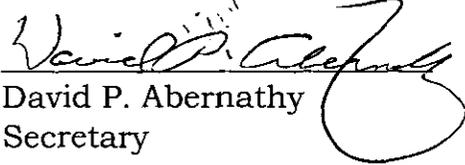


By _____

Eric W. Thornburg
President

(SEAL)

ATTEST:


David P. Abernathy
Secretary

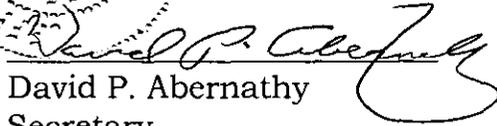
JEFFERSON CITY WATER WORKS COMPANY, INC.
d/b/a MISSOURI-AMERICAN WATER COMPANY

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");

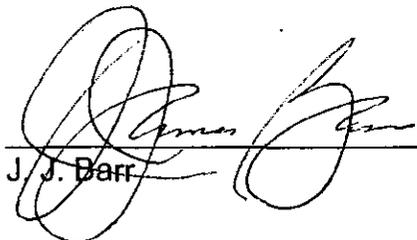
100,000 shares of Cumulative Preferential Stock of the par value of \$100.00 per share (hereinafter called "CUMULATIVE PREFERENTIAL STOCK");

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



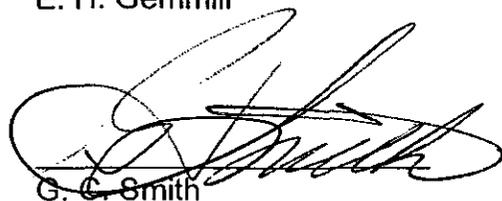
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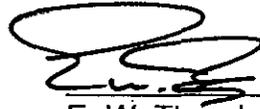
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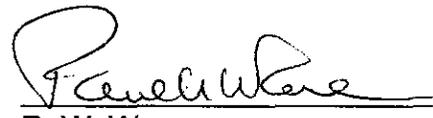
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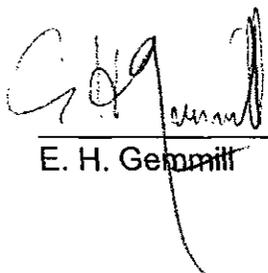
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P. W. Ware



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.

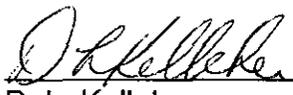
This action without a meeting of the Board of Directors is taken pursuant to the procedure established in Section 351.340 of the General and Business Corporation Law of Missouri, and shall be effective as of October 31, 2000.



J. J. Barr



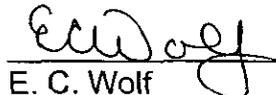
E. W. Thornburg



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P. W. Ware

E. H. Gemmill



E. C. Wolf

G. C. Smith

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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.

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J. J. Barr



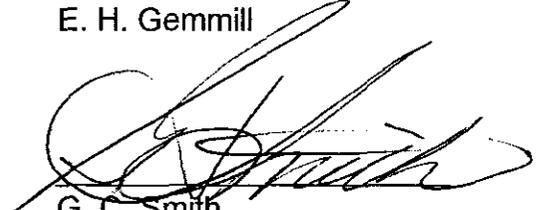
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RESOLVED FURTHER, that any and all resolutions by any state or other jurisdictional authority in connection herewith or determined by such officers or officer to be necessary or appropriate and which are consistent with the foregoing are hereby adopted, 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.

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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

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

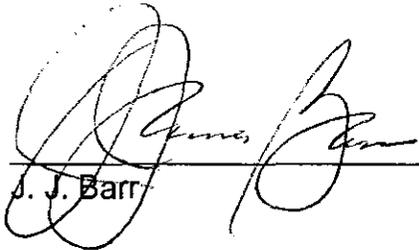
Company of the documents so executed and the action so taken;

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



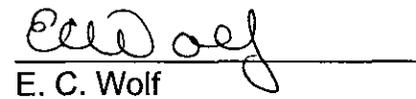
E. W. Thornburg



D. L. Kelleher

P. W. Ware

E. H. Gemmill



E. C. Wolf

G. C. Smith

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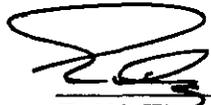
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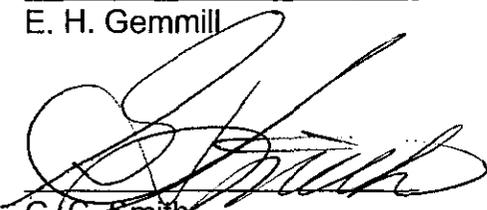
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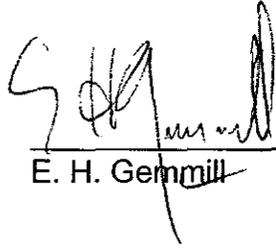
J. J. Barr



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P. W. Ware



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Chart of Companies

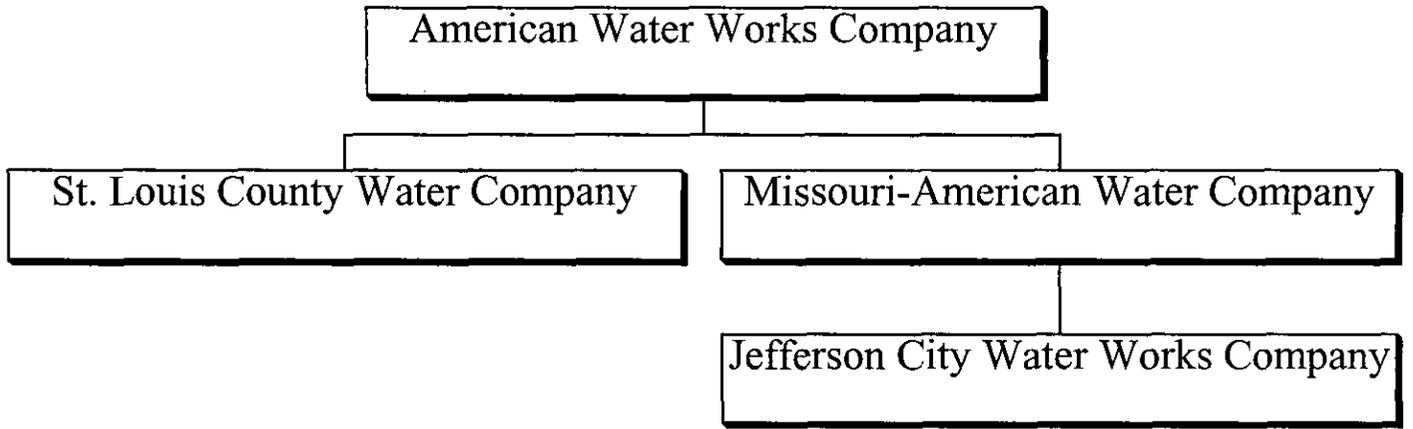
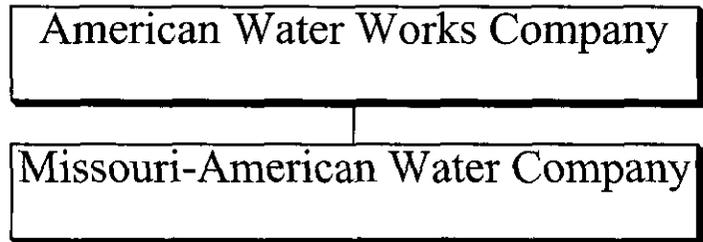


Chart of Companies



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 CTY 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) | (175,981,264) | | | (175,981,264) |
| Utility Plant acquisition adjustment | 3,460,487 | (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 | (69,067) | | (69,067) | (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 | 3,504,084 | | | 3,504,084 |
| Other | 463,258 | | 463,258 | 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 | 7,685,457 | 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 | 18,695,611 | 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 | 36,871,608 | 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 fo 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 | 45,655,898 | 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 | 6,672,285 | 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 | 88,627,924 | - | - | 88,627,924 |
| 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) | - | (3,177,861) | (3,177,861) | | | (3,177,861) |
| 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 | (144,785) | (352,610) | (497,395) | | | (497,395) |
| 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 | 11,771,623 | 19,625 | 11,791,248 | - | - | 11,791,248 |
| 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> |

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 | ASSOC. COMPANY | | MISSOURI- AMERICAN MERGED | |
|---|----------------------|---------------------------------------|-------------------------------|-----------------------|-----------------------|------------------------|--|---------------------------------|-----------------------|
| | | | | | | MERGER ELIMINATIONS | ELIMINATIONS JEFFERSON CITY MISSOURI- AMERICAN | | |
| ASSETS | | | | | | | | | |
| Utility Plant | \$ 15,291,612 | \$ (873,328) | \$ 14,418,286 | \$ 748,154,531 | \$ 762,572,817 | | | \$ 762,572,817 | |
| Construction work in progress | 50,788 | | 50,788 | 8,008,837 | 8,059,625 | | | 8,059,625 | |
| Accumulated depreciation | (3,124,763) | 196,324 | (2,928,439) | (175,981,284) | (178,909,723) | | | (178,909,723) | |
| Utility Plant acquisition adjustment | | | | | | 1,014,749 | | 1,014,749 | |
| Other utility plant adjustments | | | | | | | | | |
| NET UTILITY PLANT | 12,217,637 | (677,002) | 11,540,635 | 580,182,084 | 591,722,719 | 1,014,749 | | 592,737,468 | |
| NON-UTILITY PROPERTY | | | | 58,962 | 58,962 | | | 58,962 | |
| OTHER INVESTMENT | | | | 10,150,406 | 10,150,406 | (10,150,406) | | | |
| CURRENT ASSETS | | | | | | | | | |
| Cash | 438,476 | | 438,476 | 12,422,627 | 12,861,103 | | 1,122,695 | (1,022,695) | 12,961,103 |
| 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 | 16,125,599 | 16,378,813 | | | 16,378,813 | |
| 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 | 3,264,717 |
| 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 | | | | 46,999,057 |
| DEFERRED DEBITS | | | | | | | | | |
| Debts and preferred stock expense | | | | 11,898,935 | 11,898,935 | | | 11,898,935 | |
| Expense of rate proceedings | 167,141 | | 167,141 | 989,570 | 1,166,711 | | | 1,166,711 | |
| Preliminary survey and investigation | 2,654 | | 2,654 | 745,592 | 748,246 | | | 748,246 | |
| Reg assets-FAS 109 | 711,326 | 79,810 | 791,136 | 25,624,112 | 26,415,248 | | | 26,415,248 | |
| Reg assets-FAS 106 | | | | 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 | 194,342 | | 194,342 | 4,452,906 | 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 | \$ 15,865,007 | \$ (597,192) | \$ 15,267,815 | \$ 685,995,632 | \$ 701,263,447 | \$ (9,135,657) | \$ - | \$ - | \$ 692,127,790 |
| CAPITAL AND LIABILITIES | | | | | | | | | |
| Common stock | \$ 600,000 | | 600,000 | 85,609,880 | 86,209,880 | \$ (600,000) | | \$ 85,609,880 | |
| Paid-in-paid | 6,797,323 | | 6,797,323 | 2,764,716 | 9,562,039 | (6,797,323) | | 2,764,716 | |
| Retained earnings | 3,061,324 | (1,016,748) | 2,044,576 | 99,810,547 | 101,855,123 | (1,738,334) | | 99,916,789 | |
| TOTAL COMMON EQUITY | 10,458,647 | (1,016,748) | 9,441,899 | 187,885,143 | 197,427,042 | (9,135,657) | | | 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 | (9,135,657) | | | 424,243,693 |
| CURRENT LIABILITIES | | | | | | | | | |
| Bank debt-pending insurance to securities | 702,136 | | 702,136 | 22,795,051 | 23,497,187 | | | 23,497,187 | |
| 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 | 226,389 | | 226,389 | 8,458,102 | 8,684,491 | | | 8,684,491 | |
| 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 | | | | 54,175 | 54,175 | | | 54,175 | |
| Other | 380,469 | 419,556 | 800,025 | 5,569,890 | 6,369,915 | | | 6,369,915 | |
| TOTAL CURRENT LIABILITIES | 1,433,729 | 419,556 | 1,853,285 | 45,638,758 | 47,492,043 | | | | 47,492,043 |
| DEFERRED CREDITS | | | | | | | | | |
| Customer advances for construction | | | | 52,145,993 | 52,145,993 | | | 52,145,993 | |
| Deferred income taxes | 1,650,001 | | 1,650,001 | 59,444,043 | 61,094,044 | | | 61,094,044 | |
| Reg-liab-income taxes refundable thru rates | 65,430 | | 65,430 | 8,030,818 | 8,096,248 | | | 8,096,248 | |
| Other | (10,452) | | (10,452) | 10,170,645 | 10,160,193 | | | 10,160,193 | |
| TOTAL DEFERRED CREDITS | 1,704,979 | | 1,704,979 | 129,791,499 | 131,496,478 | | | | 131,496,478 |
| CONTRIBUTION IN AID OF CONSTRUCTION | 2,267,652 | | 2,267,652 | 86,627,924 | 88,895,576 | | | 88,895,576 | |
| TOTAL CAPITAL AND LIABILITIES | \$ 15,865,007 | \$ (597,192) | \$ 15,267,815 | \$ 685,995,832 | \$ 701,263,447 | \$ (9,135,657) | \$ - | \$ - | \$ 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 | (84,854) | (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 | 1,103,687 | 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 |