

STEPS FOR SELLING YOUR WATER / WASTEWATER SYSTEM



MISSOURI
AMERICAN WATER

1

Initial Discussions – Missouri American Water and current system owners discuss the possibility of Missouri American Water buying and operating the water and/or wastewater system. Both parties agree to move forward to collect additional information.

2

Preliminary Due-Diligence – Basic information is collected about the water and/or wastewater systems, such as property and financial data, to determine feasibility of a partnership.

3

Letter of Intent – If both parties are interested in moving forward, a Letter of Intent (LOI) would be signed to grant exclusivity and begin the appraisal process, if one is needed.

4

Appraisal – If an appraisal is done, one would be jointly conducted by three appraisers, with one chosen by the seller, one chosen by the buyer, and one chosen by the two appraisers. The appraisal would be provided to both parties after completion. Missouri American Water will cover the cost of the appraisal, contingent on the completion of the system sale.

5

Offer – After the LOI and/or appraisal are complete, Missouri American Water would make an offer to purchase the water and/or wastewater systems.

6

Governing Body Vote – If the terms are agreeable, the governing body (city council, subdivision trustees, or public water/sewer district board) would vote to accept the offer and move the proposal forward for a public vote, if required.

7

Public Vote – Many entities, such as municipalities and public water/sewer districts, must also obtain a vote of approval from residents to proceed with the system sale.

8

Execution of Purchase Agreement – Missouri American Water and the governing body would sign a purchase agreement for the system(s).

9

Missouri Public Service Commission Filing – An application is made to the Missouri Public Service Commission to request approval of the system sale. This process typically takes 6-12 months from the filing date.

10

Closing – At closing the two parties sign documents to finalize the deal and a wire transfer for the purchase price is made. Missouri American Water would own and operate the system from this point forward, including assuming responsibility for all future investments and liabilities.