

In Response to the Mooresville Water System Editorial by the Mooresville-Decatur Times:

This letter is intended to address the concerns raised in a recent editorial of the Mooresville-Decatur Times in regards to the Mooresville Town Council seeking to control rising water rates and ensuring a strong economic development environment continues to exist that creates jobs.

For those that attended recent Council meetings, you heard the Town Council voice its concern regarding a plan by Indiana American Water Company to continue the implementation of a "consolidated rate structure" that will dramatically increase water rates in Mooresville. One of Mooresville's largest employers has just learned that its annual water bill will jump by an estimated \$33,000, and will likely face more such increases before the plan of "consolidated rates" is fully implemented through future rate increases. In addition to controlling future water rates for its citizens, the Town Council is very concerned about losing its current and future business base as a result of Indiana American Water Company's consolidated rate strategy.

The Town Council understands how this consolidated rate strategy can help other communities such as Richmond, Kokomo, Terre Haute, and Muncie keep rates from escalating due to current and future investment needs in those cities. However, for Mooresville this strategy does not make sense. Indiana American Water Company has not identified a need for significant capital investments in the Mooresville water system. Yet, they are asking for Mooresville customers to open their wallets and pay higher rates. The Town Council believes that water rates paid in Mooresville should stay in Mooresville.

The editorial incorrectly stated that the Water Company was not allowed to speak at the August 7th Public Hearing on the matter. In fact, Indiana American was provided advance notice of the Public Hearing and allowed to speak, which they took full opportunity, with three different speakers.

The editorial also raised a concern with the cost associated with this action and how the Town would pay for a potential purchase of the utility and associated legal costs. Again, for those who attended the recent Council meetings, you heard the Town's attorney discuss the process and how the Council must follow procedural steps which allows for on-going evaluation of the transaction. If at any time the Council decides it is not in the best interests of the citizens of Mooresville to continue, it can stop the process.

At the August 10th Town Council meeting, those attending heard the Council specifically authorize and instruct its attorney to schedule a meeting with Indiana American Water Company officials for the purpose of further dialogue in hopes that the issues may be resolved in the best interest of Mooresville water customers.

Some have questioned the Town Council's involvement in the activities of this private business. Unlike the vast majorities of business throughout our community, where citizens have a choice for the goods and services it purchases, Indiana American Water Company enjoys a natural monopoly for water service. Customers do not have a choice where they receive this essential service. The Town Council is following a legal course of action to protect its citizens against actions by Indiana American Water Company. Not only are these rate increases unfair, but they will likely put Mooresville at an economic development disadvantage as the Town works to grow business and improve the quality of life for its citizens.

Mooresville Town Council – Dated: 8/21/12