

Citizens Action Coalition
603 E. Washington St., Suite 502
Indianapolis, IN 46204
317-205-3535

Citizens Energy water and sewer deal shrouded in secrecy

The process by which the City (i.e. the Mayor) and certain members of the City Council are forcing the transfer of the City's water and sewer works to Citizens Energy Group (Citizens Gas) is disgraceful. They are fueling skepticism by their tactics and withholding information.

First, the Mayor's office held closed-door meetings for nearly a year with Citizens Energy Group. This resulted in a memorandum of understanding that set the price of selling the sewer company to Citizens and other provisions establishing a framework for the deal.

Next, prior to an acquisition agreement being released that would contain the details and allow for reasonable analysis of the proposed deal, City-County Council President Ryan Vaughn, an attorney at Barnes and Thornburg (a law firm that represents utility companies) rushed an ordinance through committee and the City Council that cemented the price of the acquisition and framework for the transfer of assets from the City to Citizens.

Although the ordinance states that savings to ratepayers/taxpayers are certain, it does not and cannot guarantee them.

Characterized by Mr. Vaughn and others as merely allowing the City to continue negotiations, the ordinance does much more. It approved the MOU and preliminarily established the Citizens Waterworks Authority to administer the sewer and water companies under the auspices of Citizens Energy. The ordinance did create a committee of members of the City County-Council to "oversee" the deal, the Utility Transfer Oversight Committee. However, its only authority is to ensure that the final acquisition agreement is "consistent" with the MOU. This means that the City-County Council has, by and large, already approved of the deal without the necessary details being disclosed to the public.

The process initiated by the Mayor is backwards. The Utility Transfer Oversight Committee should have been established up front and the acquisition agreement should have been released first for committee and public scrutiny before the City-County Council took action.

But Mr. Vaughn is not yet finished in his quest to veil the details of the transfer of City assets in secrecy. Thwarted by the refusal of Democrat members on the Board of Waterworks to vote on the deal, he has proposed to shift responsibility for that vote to the more amenable Board of Public Works.

Before any other action is taken, we need an honest, open discussion on key critical issues including: the transparency of Citizens Energy Group's accounting system (which has always been a problem in proceedings before state regulators from CAC's standpoint) and making Citizens more accountable; plans for public lands along the City's waterways (it's interesting that the Indiana Builders Association has endorsed the sale); plans for extending sewer and

water service to the donut counties; whether there are measurable benefits to taxpayers and ratepayers; and, transparency with respect to meeting clean water standards and addressing the combined sewer-overflow issue. Secrecy is the tool of ulterior motives and the public will never be secure if the transactions of government are kept from them.

Sincerely,

Grant Smith
Executive Director