



## **Utility Transfer -- Frequently Asked Questions**

*We understand that the transition of the City's water and wastewater facility to Citizens Energy Group will raise many questions. We hope this document will provide a more thorough understanding of the need, the benefits and the process of the proposed partnership.*

### **Q: Why is the City of Westfield proposing to sell our water and wastewater utilities to Citizens Energy Group? What are the benefits for utility customers and the community?**

A: The potential transfer of Westfield Utilities to Citizens Energy Group provides the City of Westfield with a great opportunity to fund important infrastructure investments for our community while mitigating property tax increases. Our community continues to grow steadily. In the next five years, our population is expected to grow significantly, with more businesses attracted to our City by improvements made to U.S. 31, the addition of Grand Park, and our world-class school system. The increase in new development results in increasing demands on our infrastructure, including water and roads. Instead of incurring more debt to meet this demand, Westfield is proposing to sell the water and wastewater utility, which is the one asset the City owns that the private sector has expressed interest in running. This partnership between public and private sector entities will allow us to achieve world-class practices to drive efficiency, ensure delivery and keep on top of ever-changing federal mandates. In addition, through this process we can invest in needed improvements like road improvements and trail expansion, all while greatly reducing our municipal debt.

### **Q: Why did the City choose Citizens?**

A: As part of the public bidding process, the City issued a Request for Proposals, and had three private systems bid. As identified by a committee of evaluators, Citizens offered the strongest proposal – not just from a financial standpoint, but also because of their strong track record of service, commitments they have made to be good stewards of the water, and their well-known role as involved community citizens. Westfield is considering Citizens Energy group as they are a trusted utility provider that will provide outstanding customer service and operational savings while maintaining competitive rates. Also, as they have shown with Citizens Gas of Westfield, Citizens will make the utility system investments that are necessary for our community to grow.

### **Q: Will my water rates change?**

A: Rates will not change in the short term. The City Council passed a rate ordinance this year and rates will continue to stay on the trajectory set by this ordinance until 2016. Regardless of whether the City or Citizens owns the water and wastewater utilities, rates will increase due to system investments that will be needed primarily for growth. Just as with other utilities (i.e. gas, electricity, cable), rates will go up in order to meet ongoing development. Citizens estimates that efficiencies under its ownership will reduce rate increases by 16 percent by the year 2020 compared to if the City retained ownership of the utilities.

### **Q. How will rates be determined and will our rates be tied to those in Indianapolis where the water and sewer systems need lots of repairs? Will our rates go up if Indianapolis rates go up?**

A. Utility rates will not be tied to utility rates in Indianapolis. Citizens Energy Group has committed to keep Westfield's rates competitive. As dictated by state law, rates for gas, water and sewer service in Westfield will be determined by

operating needs and investments in the utility infrastructure in Westfield. Rate increases will be approved by the Indiana Utility Regulatory Commission (IURC).

**Q. If I currently have a concern about my water or sewer service that I feel the utility is not addressing I can call my City Councilor or the Mayor. Won't I lose this ability if you sell the water and sewer utility to Citizens?**

A. No, you will not lose this ability. The people of Westfield still will be able to express questions or complaints about their utility service with their City Council member and the Mayor's Office. The Indiana Utility Regulatory Commission (IURC) and the Indiana Utility Consumer Counselor also will be available to answer concerns or complaints about utility service if needed. Citizens believes elected officials are very important stakeholders of the utility because they know elected officials represent their customers. When Citizens receives any complaint, it is given high priority. Citizens is a highly responsive utility provider with a long reputation for outstanding customer service. This is confirmed by outside experts. In September, J.D. Power & Associates cited Citizens Gas as the best mid-sized utility in the Midwest for customer satisfaction according to their annual survey.

**Q. How will Westfield continue the accountability and oversight of our City's water supply?**

A. Citizens has a 125 year reputation for managing utility resources for the benefit of the customers and the communities that it serves. With more water resources than any water company in Central Indiana, no water company is better positioned to provide water supply security to the Westfield community and the other communities it serves. Citizens will be held accountable in a number of ways. Citizens will report quarterly about our utility services to the Westfield City Council and regularly to Westfield community groups. Also, a Westfield utility employee will continue to serve on the Service Advisory Board, a group that represents communities outside Marion County that are served by Citizens Water. In addition, Citizens will add a member of the Westfield community to the Citizens Stakeholder Alliance. The Alliance is a diverse group of citizens from throughout Citizens service territory who meet six times a year to review customer service initiatives and other issues that impact the communities the utility serves. . Further accountability is ensured because Citizens Utilities of Westfield will be regulated by the Indiana Utility Regulatory Commission (IURC), with additional oversight by the Indiana Office of Utility Consumer Counselor.

**Q: Why is Citizens interested in acquiring the Westfield Utilities?**

A: Citizens is interested in acquiring the Westfield Utilities because it will provide them the opportunity to establish Citizens Utilities of Westfield, an integrated gas, water and sewer utility in one of the fastest growing communities in the Indianapolis area. Westfield Utilities has excellent facilities that are expertly operated and maintained. Citizens is committed to outstanding customer service and making continuous investments in utility infrastructure to help the community grow.

**Q: Will there be a different billing process?**

A: Initially nothing will change about the billing process. A drop box for water and wastewater utility payments will be maintained at the Westfield City Hall for a defined period. Once Westfield water and wastewater customers are integrated into the Citizens billing system, customers will be able to pay their combined water, wastewater, gas and trash bill at two third-party payment sites in the Westfield area (currently the two Kroger Stores in Westfield). In addition, customers will have access to free online and over the phone checking account payment options through Citizens EasyPay, as well as Citizens Automatic Bank Deduction program. Customers also will be offered the Budget Plan for their combined bill so they can pay the same amount each month based on their annual utility costs divided by 12.

**Q: We've just experienced a major drought with water restrictions. How is Citizens prepared for a drought and how will it ensure Westfield has adequate water supply?**

A: Joining with Citizens will provide Westfield improved water supply security in the event of another serious drought such as the one that occurred this summer. With access to nine well fields, three reservoirs and the White River, Citizens is better positioned than any utility in Central Indiana to ensure reliable supply during a prolonged drought. Citizens worked cooperatively with water utilities throughout the Indianapolis area, including Westfield Utilities, to ensure our area's water resources were properly managed. In response to the worst drought in 56 years, Citizens implemented water use restrictions that responsibly lowered water demand throughout its service territory. The restrictions were necessary to ensure underground aquifers and area reservoirs were not drawn down to levels that would make it difficult for them to be fully recharged by next year. Please remember it is important for water companies to work cooperatively across county lines given that the various water companies in Central Indiana are all drawing water from

the same aquifer. As the largest water provider in Central Indiana, Citizens will play a leadership role in regional water supply planning.

**Q: Will Westfield water be used to supplement shortages in Marion County?**

A: No, Citizens will not utilize Westfield water supplies to supplement shortages in Marion County. Citizens will utilize a diverse portfolio of water resources including multiple well fields, Geist, Morse and Eagle Creek reservoirs, the White River and the Central Canal. Citizens also is engaged in long-range, regional water supply planning to identify new sources of water to keep up with population growth and economic development. Being associated with Citizens will provide greater water supply security to the Westfield community.

**Q: How will the transition to Citizens affect the quality and reliability of our water?**

A: The transition to Citizens will not affect the quality and reliability of Westfield's water. Westfield has maintained the highest standards for water quality and reliability and Citizens shares these same high standards as it reliably provides high quality drinking water every day for nearly a million people in Central Indiana. Citizens will make the necessary investments to ensure adequate sources of water for the future, address environmental mandates related to wastewater collection and treatment, and solve urgent capital needs resulting from growth, while mitigating proposed utility rate increases.

**Q: What will happen to the current water employees?**

A: Citizens Energy Group and the City of Westfield have agreed that no Westfield employee will lose employment as result of the utility transfer. Citizens plans to provide pay and benefits to Westfield employees that are competitive with their current compensation package and that of similarly situated Citizens' employees. Of course, employees also will need to complete pre-employment hiring requirements.

**Q: Where is the money from the transition to Citizens going?**

A: The proceeds of the transfer will be used to:

- Pay off 100% of the City's utility infrastructure debt totaling \$45 million
- Fund capital infrastructure projects such as roundabouts at high traffic volume intersections (161<sup>st</sup> & Oak Ridge, 161<sup>st</sup> & Carey Road, and 156<sup>th</sup> & Springmill) as well as extending the Monon Trail north of State Road 32 and building neighborhood connector trails.

The City Council will maintain fiscal oversight and will have authority over all expenditures.

**Q: Is the money from the transition of assets going to be used for Grand Park?**

A: No, the City of Westfield is funding the sports complex with redevelopment bonds to be paid back through future taxes generated to a special TIF (Tax Increment Financing) district.

**Q. Will Citizens be an active contributor to the Westfield community?**

A. Citizens is an outstanding community partner in Central Indiana, including in Westfield. Citizens has supported community events in Westfield including the Chamber Golf Outing, the Lantern Awards, the Mayor's Boy Scout Breakfast and activities at the Hamilton YMCA. An employee of Citizens serves on the Board of Directors of the Westfield Chamber of Commerce. The acquisition of the Westfield water and wastewater utilities will allow us to expand our commitment to reinvesting in the Westfield community.

**Q. Where can I go to receive the latest information regarding the transfer of utilities to Citizens?**

A. Please go to the city website, [www.westfield.in.gov](http://www.westfield.in.gov), for more information. A schedule of informational town hall meetings will be posted on the website alongside other details regarding the transfer.