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Indiana-American Water Co., Inc. v. Town of Mooresville

United States District Court, S.D. Indiana, Indianapolis Division - September 25, 2013 - Slip Copy - 2013 WL 5352879

Since 2000, Indiana-American Water Company (IAWC) has owned and operated the water utility that provides service in and around the Town of Mooresville. On July 23, 2012, Mooresville provided notice to IAWC and the public that it would hold a public hearing to receive public comment on a proposed ordinance “declaring that the public convenience and necessity require the establishment of a municipally owned water utility and for the construction or acquisition of water utility assets and facilities.”

On December 24, 2012, Mooresville adopted a second ordinance that authorized the acquisition of the IAWC operation by eminent domain, if necessary. This occurred after Mooresville’s offer to buy IAWC’s interest was rejected by IAWC. On December 27, 2012, Mooresville initiated an eminent domain lawsuit in state court.

IAWC filed this action seeking declaratory relief and damages against Mooresville, alleging that Mooresville violated due process and Indiana Access to Public Records Act in their quest to create a new municipal utility.

In this action the District Court dismissed IAWC’s federal due process and Fourth Amendment claims. Having disposed of IAWC’s federal claims, the District Court declined to retain supplemental jurisdiction over its claims under state law. “Here, it is clear that supplemental jurisdiction should be relinquished. As discussed earlier, this case includes substantial and unclear questions of state law. Under such circumstances, remand to the original state court to resolve the remaining state law claims is appropriate.”