

**MINUTES OF THE MEETING  
OF THE BOARD OF DIRECTORS OF  
CITIZENS ENERGY GROUP  
HELD JANUARY 8, 2018**

Pursuant to notice duly given and posted as required by law, the annual meeting of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis (d/b/a Citizens Energy Group) (the "Board") convened at 8:00 a.m. EST, Monday, January 8, 2018, at the principal office of Citizens Energy Group ("Citizens"), 2020 North Meridian Street, Indianapolis, Indiana.

Board members present were: Daniel C. Appel (Chair), Jeffrey E. Good, Christia Hicks, J.A. Lacy, Anne Nobles, Maria M. Quintana, and Phillip A. Terry. Moira M. Carlstedt and Joseph E. Whitsett were unable to attend the meeting.

Present from Citizens: President and Chief Executive Officer, Jeffrey A. Harrison; Senior Vice President and Chief Financial Officer, John R. Brehm; Senior Vice President and General Counsel, Jennett M. Hill; Vice President of Energy Operations, Christopher H. Braun; Vice President of Capital Programs and Engineering, Mark Jacob; Vice President and Controller, Sabine Karner; Vice President of Information Technology, John Lucas; Vice President of Customer Operations, Curtis Popp; Vice President of Regulatory and External Affairs, LaTona Prentice; Vice President of Human Resources and Chief Diversity Officer, Jodi Whitney; Vice President of Water Operations, Jeffrey A. Willman; and Director of Treasury, Sara Mamuska-Morris.

Also present at the meeting was Philip C. Genetos, Partner with the law firm of Ice Miller LLP.

The meeting was called to order by the Chair of the Board.

On behalf of the Board, the Chair welcomed Ms. Quintana to the Board of Directors for Citizens Energy Group.

The Chair requested Board members to recuse themselves from any action items on the agenda if they identified a conflict. No items or conflicts were identified.

The Board considered the minutes of its previous meeting. Upon a motion duly made and seconded, the Board unanimously approved the minutes of the joint meeting of the Boards of Directors of Citizens Energy Group and CWA Authority, Inc. held December 13, 2017.

The meeting then proceeded to the election of officers for 2018. By due nomination and election, the following individuals were elected to serve as Officers of the Board for a term of one (1) year, or until their respective successors have been elected and qualified:

Chair	Daniel C. Appel
Vice Chair	Anne Nobles
Treasurer	Jeffery E. Good
Secretary	Moira M. Carlstedt
Assistant Treasurer/Assistant Secretary	John R. Brehm
Assistant Secretary	Jennett M. Hill
Assistant Secretary	Michael D. Strohl

The Chair then called for the appointment of members to the Executive Committees and Standing Committees of the Board for 2018. He also called for review and approval of the compensation paid to members of the Executive Committees of the Board for 2018. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the following:

**WHEREAS**, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis (the "Board") has previously adopted a resolution establishing various committees, including an Energy Resources Executive Committee, a Water Resources Executive Committee and a Wastewater Resources Executive Committee (each an "Executive Committee"); and

**WHEREAS**, pursuant to Indiana Code Section 8-1-11.1-3, the Board is authorized to fix the compensation of its members serving on an Executive Committee.

**NOW, THEREFORE, BE IT RESOLVED** by the Board that it elects the Board members set forth below to serve on the respective Executive Committees and to serve in the described capacity on such Executive Committees.

That Daniel C. Appel, Moira M. Carlstedt, and Joseph E. Whitsett be and are hereby elected to serve on the Energy Resources Executive Committee.

That Daniel C. Appel is elected Chairman of the Energy Resources Executive Committee.

That Christia Hicks, Jeffrey E. Good, and Maria M. Quintana be and are hereby elected to serve on the Water Resources Executive Committee.

That Christia Hicks is elected Chair of the Water Resources Executive Committee.

That J.A. Lacy, Anne Nobles, and Phillip A. Terry be and are hereby elected to serve on the Wastewater Resources Executive Committee.

That J.A. Lacy is elected Chair of the Wastewater Resources Executive Committee.

That Phillip A. Terry, Moira M. Carlstedt, Christia Hicks, and Anne Nobles be and are hereby elected to serve on the Compensation and Finance Committee.

That Phillip A. Terry is elected Chairman of the Compensation and Finance Committee.

That Jeffrey E. Good, J.A. Lacy, Maria M. Quintana, and Joseph E. Whitsett be and are hereby elected to serve on the Audit and Risk Committee.

That Jeffrey E. Good is elected Chairman of the Audit and Risk Committee.

The compensation of each Board member serving as chair of an Executive Committee will remain unchanged from 2017 (\$25,600 annually).

The compensation for each Board member serving as a non-chair member of an Executive Committee will remain unchanged from 2017 (\$20,600 annually).

**RESOLVED FURTHER**, that some or all members of the Audit & Risk Committee, as an "audit committee" described in Ind. Code § 5-11-1-24.4(e) for purposes of engaging a certified public accountant under Ind. Code § 5-11-1-24.4(b), will serve in the following Committee member roles:

Joseph E. Whitsett	Member of the Board appointed at large by the Board
Jeffrey E. Good	Member of the Board who is a Certified Public Accountant appointed by the Board
J.A. Lacy	Member of the Board appointed by the President and Chief Executive Officer of CEG

The Chair then recommended the appointment of officers of executive management for calendar year 2018. Upon a motion duly made and seconded, the Board unanimously approved the following:

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD** that the following officers of Citizens Energy Group are appointed for the calendar year 2018:

President and Chief Executive Officer	Jeffrey A. Harrison
Senior Vice President and Chief Financial Officer	John R. Brehm
Senior Vice President and General Counsel	Jennett M. Hill
Senior Vice President and Chief Customer Officer	Michael D. Strohl
Vice President, Energy Operations	Christopher H. Braun
Vice President, Capital Programs and Engineering	Mark Jacob

Vice President and Controller	Sabine Karner
Vice President, Information Technology	John F. Lucas
Vice President, Customer Operations	Curtis Popp
Vice President, Regulatory and External Affairs	LaTona Prentice
Vice President, Human Resources and Chief Diversity Officer	Jodi Whitney
Vice President, Water Operations	Jeffrey A. Willman

Pursuant to the Board’s resolution of July 18, 1991 regarding authorizations dealing with banking accounts, investments, access to safety deposit box, signature revisions, and co-signing requirements, the Board reviewed a memorandum dated January 8, 2018 listing all such individuals authorized to perform said banking transactions on behalf of Citizens. Upon a motion duly made and seconded, the Board unanimously approved a list of individuals authorized to perform banking transactions on behalf of Citizens, attached as Exhibit “A”.

Next, the Chair invited Mr. Terry to provide a report of the Compensation and Finance Committee (the “Finance Committee”). He reported that the Finance Committee reviewed a proposal to authorize a bond refunding for the water utility system. Mr. Terry acknowledged that the Finance Committee was satisfied with the proposal as presented by management and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the following:

**WHEREAS**, Citizens has previously issued several series of the City of Indianapolis, Indiana Water System First Lien Revenue Bonds, Series 2011 (the "2011 Bonds") pursuant to the First Lien Master Trust Indenture (the "First Lien Master Indenture") dated as of July 1, 2011, between Citizens and U.S. Bank National Association (the "Trustee") and the 2011 Bonds are currently outstanding; and

**WHEREAS**, Citizens holds and operates the Water System (the "Water System") for the exclusive and perpetual benefit of the inhabitants of the City of Indianapolis and surrounding areas in furtherance of a public charitable trust; and

**WHEREAS**, under current market conditions a refunding of all or a portion of the 2011 Bonds may produce a savings to Citizens, and to the extent there are sufficiently material savings at the time of issuance of the Series 2018A First Lien Bonds (as defined below), as determined by an Executive Officer (as defined below), Citizens may find it beneficial and convenient to refund all or a portion of the 2011 Bonds; and

**WHEREAS**, Citizens may find it beneficial and convenient to issue its Series 2018A First Lien Bonds to the Indiana Finance Authority (the "IFA") or The Indianapolis Local Public Improvement Bond Bank and such Series 2018A First Lien Bonds would in

such instance evidence a loan of proceeds (the "Loan") from the IFA or the Bond Bank, as applicable, to Citizens; and

**WHEREAS**, if Citizens issues its Series 2018A First Lien Bonds to the IFA, the IFA has indicated it would issue one or more series of its First Lien Water Utility Revenue Bonds, Series 2018 (Citizens Energy Group Refunding) (the "IFA Water Bonds") in order to provide the proceeds of the Loan to Citizens; and

**WHEREAS**, if Citizens issues its Series 2018A First Lien Bonds to the IFA, Citizens will enter into a loan agreement (the "Loan Agreement") with the IFA in order to evidence the obligations of Citizens to repay the Loan; and

**WHEREAS**, if Citizens issues its Series 2018A First Lien Bonds to the Bond Bank, the Bond Bank has indicated it would issue one or more series of its Bond Bank Bonds, Series 2018 (Citizens Energy Group Project) (the "Bond Bank Bonds" and, with the IFA Water Bonds, the "Conduit Bonds") in order to provide proceeds of the Loan to Citizens; and

**WHEREAS**, if Citizens issues its Series 2018A First Lien Bonds to the Bond Bank, Citizens will enter into a qualified entity purchase agreement (the "QE Purchase Agreement") with the Bond Bank in order to evidence the obligations of Citizens to repay the Loan; and

**WHEREAS**, Citizens desires to issue its City of Indianapolis, Indiana Water System First Lien Revenue Refunding Bonds, Series 2018A (the "Series 2018A First Lien Bonds") in one or more series or sub-series and on one or more dates pursuant to this Resolution and the First Lien Master Trust Indenture in order to accomplish a potential refunding of all or a portion of the 2011 Bonds, fund a debt service reserve, if necessary and pay for related costs in connection therewith (collectively, the "Refunding"); and

**WHEREAS**, Citizens desires to authorize and delegate the powers and approvals specified in this Resolution; and

**WHEREAS**, all bonds, issued in accordance with and pursuant to this Resolution shall be limited obligations of Citizens, payable solely as provided in the First Lien Master Indenture and in the bonds, as applicable;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF INDIANAPOLIS** that:

**SECTION 1. RECITALS.** The foregoing recitals are incorporated herein by reference.

**SECTION 2. DEFINITIONS.** Terms used in this Resolution are used with the respective meanings ascribed to such terms in the following paragraphs and in the recitals above (unless otherwise provided):

"Acts" means Indiana Code 8-1-11.1, et. seq., Indiana Code 5-1-5 et. seq., Indiana Code 5-1-14 et. seq., Indiana Code 4-4-10.9 and 11, et. seq. and Indiana Code 5-1.4 et. seq., each as amended from time to time.

"Bond Documents" means (a) the Series 2018A First Lien Bonds, (b) the Series 2018A First Lien Supplemental Indenture, (c) the Loan Agreement, (d) the Continuing Disclosure Undertaking Agreement, (d) the Escrow Agreement and (f) the Purchase Contract.

"Continuing Disclosure Undertaking Agreement" means the Continuing Disclosure Undertaking Agreement or Continuing Disclosure Undertaking Agreements between Citizens and U.S. Bank National Association (or another counterparty approved by an Executive Officer) in connection with Citizens' continuing disclosure obligations with respect to the Series 2018A First Lien Bonds.

"Credit Facility" means an irrevocable letter of credit, standby bond purchase agreement, bond insurance policy, surety bond or other credit support mechanism or agreement issued by a Credit Provider, as security for the payment of the Series 2018A First Lien Bonds or any portion of the Series 2018A First Lien Bonds, which Credit Facility may be secured or obtained by any Executive Officer at the time of issuance of the Series 2018A First Lien Bonds.

"Credit Facility Agreement" means a reimbursement agreement or a similar agreement, between Citizens and a Credit Provider, in connection with the provision of any Credit Facility.

"Credit Provider" means a financial institution, insurer or other similar entity and their successors and assigns, as applicable, as issuer of the Credit Facility for the Series 2018A First Lien Bonds or any portion of the Series 2018A First Lien Bonds selected by any Executive Officer pursuant to Section 10.

"Escrow Agreement" means the Escrow Deposit Agreement or Escrow Deposit Agreements between Citizens and U.S. Bank National Association providing for the defeasance of any of the 2011 Bonds determined to be refunded.

"Executive Officer" means the President of the Board, the Vice President of the Board, the President of Citizens, any Vice President of Citizens, the Chief Financial Officer of Citizens or the Treasurer of Citizens.

"Official Statement" means (i) if an Executive Officer determines to issue the Series 2018A First Lien Bonds to the IFA, the Official Statement or Official Statements of the IFA and Citizens for the IFA Water Bonds, (ii) if an Executive Officer determines to issue the Series 2018A First Lien Bonds to the Bond Bank, the Official Statement or Official Statements of the Bond Bank for the Bond Bank Bonds or (iii) if an Executive Officer determines to issue the Series 2018A First Lien Bonds to neither the IFA or the Bond Bank, the Official Statement or Official Statements of Citizens in connection with the offering of the Series 2018A First Lien Bonds.

"Purchase Contract" means the Bond Purchase Agreement or Bond Purchase Agreements among Citizens, the IFA or the Bond Bank (if and as applicable) and an underwriter to be selected by an Executive Officer.

"Put" means the right or the obligation of the holders of the Series 2018A First Lien Bonds to put or tender their Series 2018A First Lien Bonds to Citizens, a Remarketing Agent or a Credit Provider on a Put Date during a term rate period under the Series 2018A Supplemental Indenture.

"Put Date" means the date selected by an Executive Officer before or contemporaneous with the issuance of Series 2018A First Lien Bonds, on which the holders of such Series 2018A First Lien Bonds may be able to or shall be obligated to put or tender such Series 2018A First Lien Bonds to Citizens, a Remarketing Agent or a Credit Provider.

"Remarketing Agent" means the broker-dealer approved by any Executive Officer in accordance with Section 9 hereof contemporaneous with a Put Date.

"Remarketing Agreement" means the Remarketing Agreement or Remarketing Agreements, between Citizens and a Remarketing Agent for the Series 2018A First Lien Bonds or any portion thereof in a form approved by any Executive Officer.

"Series 2018A First Lien Supplemental Indenture" means the Series 2018A First Lien Supplemental Trust Indenture or Supplemental Trust Indentures providing for the issuance of the Series 2018A First Lien Bonds between Citizens and the Trustee.

"Transactions" means the transactions contemplated by this Resolution and the Bond Documents.

**SECTION 3. LIMITED OBLIGATIONS.** The Series 2018A First Lien Bonds are limited obligations of Citizens and are payable as provided therein and in the First Lien Master Indenture from Pledged Funds and Net Revenues of the Water System. The Series 2018A First Lien Bonds do not now, and shall never, constitute a charge against the general credit of the City of Indianapolis, Indiana, the Bond Bank, the IFA, the State of Indiana or any other political subdivision thereof.

**SECTION 4. SERIES 2018A FIRST LIEN BONDS.** The Board authorizes any Executive Officer to approve the issuance, execution, sale and delivery of the Series 2018A First Lien Bonds, subject to the further provisions of this Section 4 and pursuant to the Acts, by and on behalf of Citizens. Citizens shall issue the Series 2018A First Lien Bonds in an aggregate principal amount not to exceed \$425,000,000 and sufficient to: (i) accomplish the full or partial refunding of those Series 2011 Bonds whose refunding is determined to be beneficial and convenient by an Executive Officer; (ii) fund a debt service reserve for the Series 2018A First Lien Bonds, if necessary; and (iii) pay costs, expenses and fees in connection with (1) such Refunding and (2) the authorization, issuance, sale and delivery of the Series 2018A First Lien Bonds and the IFA Water Bonds, if applicable (and the security therefor, including any Credit Facility). The Series 2018A First Lien Bonds shall bear interest at an initial rate or at one or more interest rates not to exceed eight percent (8%) per annum, calculated as provided in the First Lien Master Indenture. The Series 2018A First Lien Bonds shall be issued as serial bonds and/or term bonds, maturing not later than December 31, 2058. The Series 2018A First Lien Bonds shall be subject to redemption in the manner determined by an Executive Officer. Any Executive Officer is authorized to determine whether the Series 2018A First Lien Bonds (or any portion thereof) will bear interest fixed to the maturity dates of such Series 2018A First Lien Bonds or whether such Series 2018A First Lien Bonds (or

any portion thereof) will be sold with a Put, in which case such Executive Officer shall be authorized to determine the Put Date with respect to such Put. As determined by an Executive Officer, (a) the Series 2018A First Lien Bonds may be issued to the IFA in order to evidence the Loan made therefor as described in the Loan Agreement, (b) the Series 2018A First Lien Bonds may be issued to the Bond Bank in order to evidence the Loan made therefor as described in the QE Purchase Agreement, or (c) the Series 2018A First Lien Bonds may be sold pursuant to the provisions of IC 5-1-11, subject to the applicable provisions thereof, but in any case shall be sold with an underwriter's discount not to exceed one percent (1%) of the aggregate principal amount of the Series 2018A First Lien Bonds (excluding original issue discount or premium). The Series 2018A First Lien Bonds shall be secured by the First Lien Master Indenture. Any Executive Officer is authorized to determine whether to secure or obtain a Credit Facility in connection with the sale of the Series 2018A First Lien Bonds, select the Credit Facility Provider and approve the form of the Credit Facility Agreement. Notwithstanding anything in this Resolution to the contrary, Citizens may issue the Series 2018A First Lien Bonds in more than one series or sub-series. Any Executive Director may determine to issue any series or subseries of Series 2018A First Lien Bonds as second lien bonds.

**SECTION 5. DOCUMENTS, EXECUTION, DELIVERY.** The Bond Documents substantially in the form used for the issuance of Citizens' City of Indianapolis, Indiana Water System First Lien Refunding Revenue Bonds, Series 2016B are approved by and on behalf of Citizens at this meeting, with such changes as an Executive Officer determines necessary to accommodate the issuance of the Series 2018A First Lien Bonds, the IFA Water Bonds and/or the Bond Bank Bonds, as may be applicable, and as may be approved by and on behalf of the Board by an Executive Officer. No further approval of the Board is required with respect to the Bond Documents. Any Executive Officer and the Secretary or the Assistant Secretary of the Board are authorized and directed to complete, execute and deliver the Bond Documents, by and on behalf of the Board, as contemplated by this Resolution and the Acts. Approval of any such changes and completion of the documents shall be evidenced by their execution and delivery. The Mayor, City Controller and City Clerk of the City of Indianapolis, Indiana are authorized to execute and deliver the Series 2018A First Lien Bonds and any other document, agreement or certificate deemed necessary by any Executive Officer or bond counsel to properly issue the Series 2018A First Lien Bonds.

**SECTION 6. OFFICIAL STATEMENT.** (a) The Board approves the preliminary Official Statement in the form used for the issuance of Citizens' City of Indianapolis, Indiana Water System First Lien Refunding Revenue Bonds, Series 2016B at this meeting, with such changes as necessary to accommodate the issuance of the Series 2018A First Lien Bonds, the IFA Water Bonds and/or the Bond Bank Bonds, as may be applicable, and as may be approved by and on behalf of the Board by an Executive Officer, and authorizes and directs any Executive Officer to publish and distribute by and on behalf of Citizens, and in cooperation with the IFA or the Bond Bank, as and if applicable, the preliminary Official Statement to potential purchasers of the Series 2018A First Lien Bonds, the IFA Water Bonds or the Bond Bank Bonds, as and if applicable, provided, however, that:

(i) any Executive Officer is authorized and directed to deem by and on behalf of Citizens the preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (except as permitted by such rule);



(ii) in cooperation with the IFA or the Bond Bank, as and if applicable, any Executive Officer is authorized and directed by and on behalf of Citizens to (a) complete the Official Statement, and (b) make such changes in the Official Statement in preparing the final Official Statement for the Series 2018A First Lien Bonds, the IFA Water Bonds or the Bond Bank Bonds, as applicable, as may be appropriate, desirable or necessary, the approval of which shall be evidenced by its execution and delivery; and

(iii) any Executive Officer is authorized and directed to distribute by and on behalf of Citizens, the final Official Statement, including any amendments or supplements, to the purchasers of the Series 2018A First Lien Bonds or IFA Water Bonds, as applicable.

(b) Notwithstanding anything in this Resolution to the contrary, only one of the Executive Officers is required to execute and deliver the final Official Statement, and each is authorized and directed to do so by and on behalf of Citizens.

**SECTION 7. FURTHER ACTS.** Any Executive Officer is authorized and directed by and on behalf of Citizens to do any and all further acts by and on behalf of Citizens, to execute any and all further agreements, certificates, contracts, documents or papers and to publish any such notice or notices appropriate, desirable or necessary in connection with the Transactions, including the execution and delivery of the Bond Documents and any agreements which may be required by the IFA or the Bond Bank in connection with the Loan, if applicable.

**SECTION 8. CREDIT FACILITY.** Any Executive Officer is authorized to secure and obtain a Credit Facility for the Series 2018A First Lien Bonds (or any portion thereof) and is authorized to make such determinations and to execute such documents or agreements as are required in connection therewith.

**SECTION 9. APPROVALS.** (a) Any Executive Officer is authorized and directed by and on behalf of Citizens to:

(i) approve the commitment for a Credit Facility and Credit Facility Agreement with a Credit Provider. Any Executive Officer is authorized to apply the proceeds of the Series 2018A First Lien Bonds, Pledged Funds or any Net Revenues of the Water System as contemplated by the First Lien Master Indenture to payments due in connection with any such Credit Facility;

(ii) select and approve the Remarketing Agent with respect to a Put Date and select and approve a verification agent or firm for purposes of the Escrow Deposit Agreement, as contemplated by, and subject to, this Resolution and the applicable Bond Documents;

(iii) select and approve special counsel of Citizens in connection with the Transactions; and

(iv) select and approve the counterparty to the Continuing Disclosure Agreement.

(b) All approvals and selections authorized and directed by this Section 9 shall be evidenced by the execution and delivery of the applicable documents described herein.

**SECTION 10.** In connection with the Transactions, the Board ratifies and confirms the appointment or retention by and on behalf of Citizens of Ice Miller LLP, as bond counsel and special counsel. Any Executive Officer is authorized and directed by and on behalf of Citizens to apply proceeds of the sale of the Series 2018A First Lien Bonds to their compensation, disbursements and expenses.

**SECTION 11. DEBT SERVICE RESERVE.** If a debt service reserve is deemed required or advantageous in the judgment of an Executive Officer for the Series 2018A First Lien Bonds pursuant to the provisions of the First Lien Master Indenture, such reserve may be funded from proceeds transferred from the refunded 2011 Bonds, proceeds of the Series 2018A First Lien Bonds, or in lieu of or in combination with using such proceeds, any Executive Officer is authorized and directed by and on behalf of Citizens to enter into a surety or guaranty agreement providing for the funding of such a reserve with a document or instrument such as a surety bond or letter of credit and any Executive Officer is further authorized and directed to use proceeds of the sale of the Series 2018A First Lien Bonds or the Pledged Funds and Net Revenues of the Water System as contemplated in the First Lien Master Indenture to pay for such document or instrument, including costs and expenses in connection therewith.

**SECTION 12. FINDINGS.** The findings made by the Bond Documents, with such changes as are necessary to accommodate the issuance of the Series 2018A First Lien Bonds, are incorporated into this Resolution by this reference, and are made by the Board for and on behalf of Citizens as if set forth in this Section 12.

**SECTION 13. DELEGATIONS; AUTHORIZATIONS.** The delegations made by the Board to the Executive Officers by this Resolution and the authorizations approved herein shall be effective until September 30, 2019, after which date further approval of the Board will be required in connection with the issuance of the Series 2018A First Lien Bonds.

**SECTION 14. SEVERABILITY.** If any provision (or any portion thereof) of this Resolution is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate any other provision (or any portion thereof) of this Resolution, all of which remaining provisions (or any portions thereof) shall be liberally construed to effect the purposes of this Resolution and the Transactions.

**SECTION 15. EFFECTIVE DATE.** This Resolution will be effective immediately upon its passage by the Board.

Mr. Terry also reported that the Finance Committee considered a proposal to authorize a capital contribution within the gas utility system to assist with environmental remediation costs for the former manufactured gas plant. Mr. Terry acknowledged that the Finance Committee was satisfied with the

proposal as presented by management and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the following:

**WHEREAS**, the Department of Public Utilities of the City of Indianapolis (“City”), acting by and through the Board of Directors for Utilities of the Department of Public Utilities (the “Board”) as successor trustee of a public charitable trust d/b/a Citizens Energy Group (“Citizens Energy Group”, “Citizens” or “CEG”) is vested by Indiana Code 8-1-11.1 with the exclusive government, management, regulation and control of all public utilities consisting of, among other things, any gasworks, heating and power plants of any kind or character, operated upon, above, or below any street or territory within the City, or outside the City within the limits authorized by law, and all property held by and relating or belonging thereto and with the power to own and operate other utility properties; and

**WHEREAS**, Citizens provides local gas distribution services to the City and the residents of Marion County, Indiana in furtherance of a public charitable trust, and in conjunction therewith owns and operates a revenue producing Gas Utility System (defined as the “System” in the Gas Utility System Indenture defined below, including all assets held by Citizens in furtherance of that public charitable trust, the “Gas Utility System”), including the revenue producing Gas Utility Distribution System (as defined in the Second Lien Indenture) serving the inhabitants of Marion County, Indiana; and

**WHEREAS**, Citizens is duly authorized to construct necessary betterments, improvements, extensions or additions to the Gas Utility System, and in order to provide funds for such purpose and to refund evidences of indebtedness of Citizens, is authorized to issue bonds pursuant to the provisions of Indiana Code 8-1-11.1 payable out of the revenues and income derived from the Gas Utility System; and

**WHEREAS**, Citizens and The Bank of New York Mellon Trust Company, N.A. (as successor in interest to Bank One Trust Company, National Association) (the “Gas Utility System Trustee”), as trustee, have executed the Trust Indenture dated as of July 1, 1986, as amended and supplemented from time to time (collectively, the “Gas Utility System Indenture”); and

**WHEREAS**, pursuant to the Gas Utility System Indenture, Citizens has previously issued its Gas Utility System, Revenue Refunding Bonds, 1986 Series B (the “Gas Utility System Bonds”), which Gas Utility System Bonds are currently outstanding in the aggregate principal amount of \$11,065,000; and

**WHEREAS**, the Gas Utility System Indenture permits Citizens to use any Income and Revenues of the Gas Utility System to pay the operating expenses of the Gas Utility System and, after application of Sections 5.02 and 5.03 thereof, for any lawful purpose in connection with the operation of the Gas Utility System; and

**WHEREAS**, pursuant to Sections 4.07 and 5.04 of the Gas Utility System Indenture as a lawful purpose of the Gas Utility System, Citizens and The Bank of New York Mellon Trust Company, N.A., as trustee (the “Second Lien Trustee”), have also executed the Second Lien Gas Utility Distribution System Trust Indenture dated as of May 1, 2001, as supplemented from time to time (collectively, the “Second Lien Indenture”) to distinguish the Gas Utility System, which included unregulated operations, from the Gas Utility Distribution System (the “Gas Utility Distribution System”) to

which the Second Lien Indenture applies, as the rates and charges for the distribution of gas by the Gas Utility Distribution System were subject to regulation by Indiana Utility Regulatory Commission (the “IURC”); and

**WHEREAS**, Citizens owned and operated a manufactured gas and coke plant site (the “Manufactured Gas Plant”) located at 2950 Prospect Street in the City (the “Prospect Site”) as part of the Gas Utility System that provided manufactured gas as sendout for distribution to customers of the regulated Gas Utility Distribution System; and

**WHEREAS**, because most of the revenues derived from the Manufactured Gas Plant were unregulated by the IURC, the Manufactured Gas Plant (as part of the “Manufacturing Division”), was considered to be excluded from the Gas Utility Distribution System under the Second Lien Indenture, notwithstanding that the Manufactured Gas Plant was used and useful to provide gas utility service the rates and charges of which were subject to regulation by the IURC; and

**WHEREAS**, pursuant to Cause No. 36361 (Order dated October 1, 1981) (the “Order”), the IURC approved a Citizens proposal to reduce gas customer rates through a tracker mechanism based upon a portion of the income generated from the operation of the Manufacturing Division;

**WHEREAS**, the Board has been provided information concerning the advantages to Citizens, particularly the Gas Utility Distribution System, derived from the environmental remediation of the Prospect Site; and

**WHEREAS**, Citizens desires to use certain available funds of Citizens to finance costs associated with the required environmental remediation of the Prospect Site; and

**WHEREAS**, pursuant to the terms thereof, the Gas Utility System Indenture shall remain in full force and effect absent a certified resolution of Citizens delivered to the Gas Utility System Trustee providing that the rights granted pursuant to the Gas Utility System Indenture shall cease, terminate and be void; and

**WHEREAS**, Citizens may find it desirable in the future to issue Additional Bonds (as defined in the Gas Utility System Indenture) under the Gas Utility System Indenture; and

**WHEREAS**, Section 5.06 of the Second Lien Indenture provides that any moneys remaining in the General Fund created pursuant to the Second Lien Indenture, after payments required by the Gas Utility System Indenture, may be used by Citizens for contributions to or funding for any Gas Utility System or Gas Utility Distribution System activity or any Subsidiary or Affiliate, which activity or Subsidiary or Affiliate are reasonably expected by Citizens to advantageously contribute to or economically benefit the Gas Utility Distribution System;

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES** that:

**SECTION 1.** The foregoing recitals are incorporated herein by reference and are ratified, confirmed and approved.

**SECTION 2.** The Board hereby finds and determines that it is in the best interests of Citizens to continue to provide the flexibility to assure that Income and Revenues of the Gas Utility System may be used for purposes of the Gas Utility System and to issue Additional Bonds under the Gas Utility System Indenture in the future, the Gas Utility System Indenture shall remain in full force and effect. During the period that the Gas Utility System Indenture remains in full force and effect, the Income and Revenues of the Gas Utility System shall continue to be used to finance the operating expenses of the Gas Utility System.

**SECTION 3.** The Board hereby finds and determines that the Manufactured Gas Plant produced manufactured gas at the Prospect Site that was used and useful as part of Gas Utility System gas supply for many years and the environmental remediation of the Prospect Site advantageously contributes to and economically benefits the Gas Utility Distribution System, the Gas Utility System and the public charitable trust to which both are subject, and is a lawful purpose of the Gas Utility Distribution System, Gas Utility System and the public charitable trust to which both are subject. The remediation of the Prospect Site benefits the Gas Utility Distribution System and the Gas Utility System through the reduction in potential liability exposure to Citizens, adds an additional customer for the Gas Utility Distribution System upon future transfer of the Prospect Site to the City and provides a positive economically beneficial reuse of the Prospect Site. As a consequence, the use of Income and Revenues under Section 5.06 of the Second Lien Indenture to fund the environmental remediation of the Prospect Site provides funding for a Gas Utility System or Gas Utility Distribution System activity or any Subsidiary or Affiliate, which activity or Subsidiary or Affiliate is reasonably expected by Citizens to advantageously contribute to or economically benefit the Gas Utility Distribution System.

**SECTION 4.** The Authorized Officers are, and each of them is, authorized and directed to do and perform all acts and to execute in the name of Citizens all such instruments, documents, papers or certificates which are desirable and necessary to carry out the transactions contemplated by this Resolution, in such forms as the Authorized Officer(s) executing the same shall determine to be proper, which determination shall be conclusively evidenced by the execution of the same.

**SECTION 5.** The taking of any action or the execution of any instrument by the Authorized Officers in connection with the foregoing Resolutions shall be conclusive of such Authorized Officers' determination that the same was necessary to serve the best interests of Citizens.

**SECTION 6.** If any section, paragraph or provision of these Resolutions shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of these Resolutions.

**SECTION 7.** These Resolutions shall be in full force and effect from and after its passage and execution.

The Chair invited public comment. There being no public comment and no further business, the meeting was adjourned.



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Daniel C. Appel, Chair  
Board of Directors



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Jennett M. Hill, Assistant Secretary  
Board of Directors

**MINUTES OF THE MEETING  
OF THE BOARD OF DIRECTORS OF  
CWA AUTHORITY, INC.  
HELD JANUARY 8, 2018**

Pursuant to notice duly given and posted as required by law, the annual meeting of the Board of Directors for CWA Authority, Inc. (the "Board") convened at 8:30 a.m. EST, Monday, January 8, 2018, at the principal office of Citizens Energy Group ("Citizens"), 2020 North Meridian Street, Indianapolis, Indiana.

Board members present were: Daniel C. Appel (Chair), Jeffrey E. Good, Christia Hicks, J.A. Lacy, Anne Nobles, Maria M. Quintana, and Phillip A. Terry. Moira M. Carlstedt and Joseph E. Whitsett were unable to attend the meeting.

Present from Citizens: President and Chief Executive Officer, Jeffrey A. Harrison; Senior Vice President and Chief Financial Officer, John R. Brehm; Senior Vice President and General Counsel, Jennett M. Hill; Vice President of Energy Operations, Christopher H. Braun; Vice President of Capital Programs and Engineering, Mark Jacob; Vice President and Controller, Sabine Karner; Vice President of Information Technology, John Lucas; Vice President of Customer Operations, Curtis Popp; Vice President of Regulatory and External Affairs, LaTona Prentice; Vice President of Human Resources and Chief Diversity Officer, Jodi Whitney; Vice President of Water Operations, Jeffrey A. Willman; and Director of Treasury, Sara Mamuska-Morris.

The meeting was called to order by the Chair of the Board.

The Chair requested Board members to recuse themselves from any action items on the agenda if they identified a conflict. No items or conflicts were identified.

The Board considered the minutes of its previous meeting. Upon a motion duly made and seconded, the Board unanimously approved the minutes of the joint meeting of the Boards of Directors of Citizens Energy Group and CWA Authority, Inc. held December 13, 2017.

The meeting then proceeded to the election of officers for 2018. By due nomination and election, the following individuals were elected to serve as Officers of the Board for a term of one (1) year, or until their respective successors have been elected and qualified:

Chair	Daniel C. Appel
Vice Chair	Anne Nobles
Treasurer	Jeffery E. Good
Secretary	Moirra M. Carlstedt
Assistant Treasurer/Assistant Secretary	John R. Brehm
Assistant Secretary	Jennett M. Hill
Assistant Secretary	Michael D. Strohl

The Chair then called for the appointment of members to the Executive Committee of the Board for 2018. The Chair also called for review and approval of the compensation of the Executive Committee of the Board for 2018. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the following:

**WHEREAS**, the Articles of Incorporation of CWA Authority, Inc. (the “Authority”) state that the Board of Directors of the Authority (the “Authority Board”) “shall consist of the individuals who are appointed by the Board of Trustees for Utilities of the Department of Public Utilities of the City of Indianapolis” to serve as members of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group (the “Citizens Board”);

**WHEREAS**, the Authority Board has previously adopted a resolution establishing an executive committee (the “Executive Committee”);

**WHEREAS**, the Authority Board desires to coordinate the efforts of its Executive Committee with the Wastewater Executive Committee established by the Citizens Board in order to, among other things, secure efficient and economical management and operation of the wastewater system;

**WHEREAS**, pursuant to Indiana Code Section 8-1-11.1-3, the Citizens Board is authorized to fix the compensation of the members serving on its Wastewater Executive Committee; and,

**WHEREAS**, the Authority Board desires to ratify, confirm and approve the compensation fixed by the Citizens Board for members serving on its Wastewater Executive Committee as the sole amount of compensation members of the Authority Board will receive for serving as members of the Authority Board’s Executive Committee and clarify that such members will receive no additional compensation for such service.



**NOW, THEREFORE, BE IT RESOLVED BY THE AUTHORITY BOARD**  
that:

The Authority Board ratifies, confirms and approves the compensation fixed by the Citizens Board for the Chair of the Citizens Board's Wastewater Executive Committee as the sole compensation to be received by the Chair of the Authority Board's Executive Committee;

The Authority Board ratifies, confirms and approves the compensation fixed by the Citizens Board for the non-chair members of the Citizens Board's Wastewater Executive Committee as the sole compensation to be received by the non-chair members of the Authority Board's Executive Committee;

The Authority Board members serving as Chair and non-chair members of the Authority Board's Executive Committee will not receive any compensation for such service other than the compensation such individuals receive for serving on the Citizens Board's Wastewater Executive Committee.

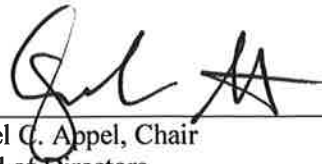
This resolution shall not become effective unless and until the Citizens Board adopts a resolution fixing the compensation for the Chair and non-chair members of its Wastewater Executive Committee at its 2018 annual meeting.

The Chair then recommended the appointment of officers of executive management for calendar year 2018. Upon a motion duly made and seconded, the Board unanimously approved the following:

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR CWA AUTHORITY, INC.** that the following officers of CWA Authority, Inc. are appointed for the calendar year 2018:

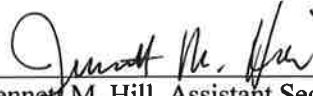
President and Chief Executive Officer	Jeffrey A. Harrison
Senior Vice President and Chief Financial Officer	John R. Brehm
Senior Vice President and General Counsel	Jennett M. Hill
Senior Vice President and Chief Customer Officer	Michael D. Strohl
Vice President, Energy Operations	Christopher H. Braun
Vice President, Capital Programs and Engineering	Mark Jacob
Vice President and Controller	Sabine Karner
Vice President, Information Technology	John F. Lucas
Vice President, Customer Operations	Curtis Popp
Vice President, Regulatory and External Affairs	LaTona Prentice
Vice President, Human Resources and Chief Diversity Officer	Jodi Whitney
Vice President, Water Operations	Jeffrey A. Willman

The Chair invited public comment. There being no public comment and no further business, the meeting was adjourned.



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Daniel C. Appel, Chair  
Board of Directors



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Jennett M. Hill, Assistant Secretary  
Board of Directors