

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD APRIL 18, 2018**

Pursuant to notice duly given and posted as required by law, a joint 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 and the Board of Directors of CWA Authority, Inc. (jointly referred to as the "Board" unless otherwise noted) convened at 8:30 a.m., EST, Wednesday, April 18, 2018, at the Indiana State Museum, 650 West Washington Street, Museum Conference Room, Indianapolis, Indiana.

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

Present from Citizens Energy Group ("Citizens"): President and Chief Executive Officer, Jeffery 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 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; Director of Internal Audit, Michael Gardner; Director of Treasury, Sara Mamuska-Morris; Senior Manager of Internal Audit, John Siefer; and Manager of Security and Compliance, Scott Miller.

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

The Chair invited Mr. Good, Chair of the Audit and Risk Committee for the Board (the "Committee") to provide an overview for the Board retreat. Mr. Good thanked everyone for their attendance and explained that the retreat would focus on organizational risk. He noted that the retreat would commence with management presentations illustrating the relationship between Citizens' various processes that help identify risks followed by Board discussion. He then invited Mr. Brehm to address the Board.

Mr. Brehm discussed the interrelationship between three management processes that contribute to the management of risk at Citizens: strategic planning, enterprise risk management (“ERM”), and internal audit. He noted that the strategic plan seeks to position the company ahead of fundamental trends in achieving its vision against the backdrop of an ever-changing, dynamic environment. He explained that the ERM process supports the strategic planning process by identifying threats to achieving the organization’s objectives. Internal audit supports Citizens’ strategies and managing risks as it evaluates high priority areas of risk. Mr. Brehm also noted the Board had input into and oversight of these processes.

Ms. Karner next provided an overview of Citizens’ strategic planning process. She explained that in seeking to position Citizens ahead of industry and business trends to achieve its vision, the process around strategic planning employs four phases: (1) establishing the baseline and evaluating progress on prior plans, (2) determining direction by identifying challenges and opportunities and establishing objectives, (3) cascading and aligning the plan to assign accountability and create action plans, and (4) executing and monitoring progress against the plan. She informed the Board that the strategic plan is then communicated to the entire organization.

Next, Ms. Mamuska-Morris provided an overview of ERM. She explained that ERM supports the strategic planning process by identifying any challenges or barriers to achieving Citizens’ objectives. She also noted that risk is managed at the business unit level where mitigation strategies are integrated into business practices. In addition, the risk assessment process identifies known and emerging risks as they relate to the strategic plan. She noted that the process includes Internal Audit enabling the department to verify mitigation and controls for those risks.

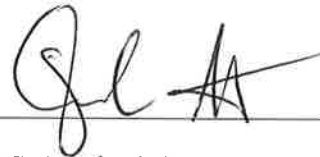
Mr. Siefer then presented an overview of Internal Audit (“IA”) and its contributions to the risk management process. He noted that Citizens’ approach to audit and risk is attuned to serve its strategy, values, and business profile. He also explained that the transparency, trust, and collaboration between IA, management, and the Board are vital ingredients to enable effective internal auditing activities. He reported that the information gathered throughout this process serves as input to IA’s audit plan. Mr. Siefer reviewed IA’s annual cycle for audit planning highlighting alignment with the risk management process.

Mr. Good then summarized the risk presentations and provided an overview of the role of the Committee. He reminded the Board that the Committee assists the Board and Executive Committees in monitoring the financial statements, internal controls, internal audit function, and the selection of external auditors. He highlighted that although the Committee was charged with oversight for risk management, it was also a responsibility of the entire Board resulting in this overview and discussion.

Mr. Good then led a discussion with the Board concerning emerging risks generally facing businesses in Indiana and across the country. The Board also discussed a variety of topics highlighting emerging technologies and artificial intelligence as areas that are bound to shape businesses in the future. The Board noted the impact of technology on customer service and satisfaction. Management reported that Citizens' technological and digital engagement platforms continue to evolve to support and engage with its customers. The Board also discussed emerging risks for and advancements in the utility industries, in general, including the advancements in water reclamation for irrigation or agricultural purposes.

Following discussion, the Chair thanked Mr. Good, the Board, and management for a robust discussion.

The Chair then invited public comment. Following public comment from one member of the public, and with no further business, the meeting was adjourned.



Daniel C. Appel, Chair
Board of Directors



Jennett M. Hill, Assistant Secretary
Board of Directors