

**MINUTES OF THE SPECIAL JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD APRIL 17, 2019**

Pursuant to notice duly given and posted as required by law, a special 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 17, 2019, at the Indiana Landmarks Center, 1201 Central Avenue, 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: President and Chief Executive Officer, Jeffery A. Harrison; 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 C. Jacob; Vice President and Controller, Sabine E. Karner; Vice President of Information Technology, John F. Lucas; Vice President of Customer Operations, Curtis H. Popp; Vice President of Regulatory and External Affairs, LaTona S. Prentice; Vice President of Human Resources and Chief Diversity Officer, Jodi L. Whitney; Vice President of Water Operations, Jeffrey A. Willman; Director of Information Technology, Abed M. Darwish; Director of Customer Service and Billing, Jeff Ford; Director of Customer Relationships, Greg Sawyers; and Manager of Community and Stakeholder Engagement, Rhonda Harper.

Others present who attended a portion of the meeting were Ann D. Murtlow, President and CEO, and Denise Lester, Vice President, Impact and Research and Analytics, both with United Way of Central Indiana; Michael Huber, President and CEO, with Indy Chamber; and Eric Rothstein, Principal, with Galardi Rothstein Group.

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

The Chair invited Mr. Braun to apprise the Board of a recent cross bore incident. Mr. Braun reminded the Board of the circumstances that could give rise to a cross bore situation. He noted that cross bores can occur during the installation of utilities using trenchless technologies; however, trenchless technologies do not allow for visual observation and could result in the intersection of utilities. Mr. Braun informed the Board of a cross bore incident that occurred on April 11, 2019 in which a contractor struck a gas line that was cross bored in 1979. He commented that the Indianapolis Fire Department, contractors, and Citizens personnel were notified of the incident and gas service was impacted for approximately two hours. He informed the Board that Citizens would conduct an after-action review with the contractor to review standard operating procedures when cross bores are identified.

Next, the Chair provided opening remarks to commence the Board retreat and discussion around affordability. He noted that affordability is an on-going concern with particular sensitivity to resulting impacts on our low-income customers. He announced that key community stakeholders along with Citizens' management team were invited to share information concerning the macroeconomic views of poverty and the influencing factors for individuals impacted by poverty.

The Chair then invited Mr. Whitsett to address the Board and provide some perspectives on affordability and our community. Mr. Whitsett provided insight about how efforts can be implemented to "grow the wallet" for our most vulnerable citizens. He noted the importance of working with community and business leaders to identify ways to combat poverty and make life more affordable in our community. He commented on community partnerships, such as the one between Anthem, Inc. and Indiana Neighborhood Housing Partnership, Inc. (INHP), designed to address housing needs and affordability.

Mr. Strohl then described the agenda and introduced the speakers for the day. He noted that after the presentations by the Citizens' team, the Board will have an opportunity to discuss and provide input as to how Citizens might respond to the increasing need for customer assistance.

Ms. Murtlow provided an overview of United Way's ALICE project (Asset Limited, Income Constrained, Employed) and the resulting report for Central Indiana. She reported that over 237,000 families in Central Indiana live below the ALICE level; that is, working families that cannot meet the basic

needs of the household. She noted that Indianapolis accounts for 90 percent of the 47 percent of households in Marion County that have income below the ALICE threshold. She underscored the importance of ALICE families' impact on the community: they care for the community's workforce and build and maintain its infrastructure. Yet, these families are only surviving paycheck to paycheck despite their vital contribution and critical to the success of our region. Ms. Murtlow also discussed the importance and impact of the 2018-19 Energy Assistance Program and Winter Assistance Fund. She closed her presentation noting that there is no one solution to address affordability issues in our community and that this problem that will not be solved by one single intervention or solution. However, she affirmed United Way of Central Indiana's commitment to serving all households, not just ALICE families, and that it will continue to help and support people as they move their way up the financial continuum from poverty to survival to stability.

Mr. Huber next provided an overview of the Brookings Institution ("Brookings") report resulting from research partnerships with the Brookings Institution as well as the Indiana University Public Policy Institute. He reviewed the findings noting the Indianapolis' "two-sided economy": while it ranked 29th in a five year job creation poll conducted by Brookings, the City also ranked high (sixth) on the list of the most economically segregated region in the country. He highlighted the city's changing nature of work, specifically as it related to the disappearance of legacy manufacturing jobs resulting from increasing automation in the industry. As a result, he reported that middle wage/income jobs are shrinking in Indianapolis with higher wage jobs requiring more technical skills. He noted that new, technical skills are needed to support the changing economy identifying the life sciences, technology, advanced manufacturing, alternative energy, and healthcare as key industry sectors. Going forward, Mr. Huber expressed a need to align economic and community development. He touched on nascent strategies such as the Equitable Transit Oriented Development, in which organizations such as INHP are participating, and the 16 Tech/IBRI (Indiana Biosciences Research Institute) project as well as other promising, evolving strategies being deployed (Brownfield development and STEM (science, technology, engineering and math) Education). He acknowledged that additional work is needed in the infrastructure and parks arena as well as initiatives to address Indianapolis' food deserts and physical and mental health care. Mr. Huber

concluded by complimenting the Citizens team on the water transition noting that, from his perspective, the water and wastewater acquisition was a seamless and successful process.

Following a brief intermission, Ms. Harper and Mr. Sawyers were invited to present to the Board programs and services available to income qualified customers. They reviewed various programs including state and local programs such as the Energy Assistance Program (a federally funded heating assistance program managed by the Indiana Housing Community Development Authority), the Universal Service Program, a regulatory approved assistance program for Citizens Gas customers, and assistance provided by the Warm Heart Warm Home Foundation, Inc. (WHWH), an organization described in Section 501(c)(3) of the Internal Revenue Code that was established to assist low-income families with utility bill assistance, weatherization, and health and safety needs. Mr. Sawyers noted that the number of individuals eligible for assistance had increased due to federal income poverty level guideline changes. Ms. Harper and Mr. Sawyers concluded their presentation by discussing some of the current gaps and needs for assistance programs and services. Mr. Sawyers highlighted Citizens' Low-Income Customer Assistance Program (LICAP) that was proposed in CWA's most recent rate case. He noted that, if approved by the Indiana Utility Regulatory Commission, LICAP would offer bill discounts and some infrastructure improvements for qualifying wastewater customers.

Next, the Board received a joint presentation from Mr. Darwish and Mr. Ford concerning outreach efforts for Citizens' at-risk customers. For purposes of this project, Mr. Darwish explained that at-risk customers included any active residential account holder who, based on observed Customer Information System attributes and characteristics, displays similar behavior to customers that have been provided any Citizens accepted assistance program funds in the past. He reviewed how Citizens uses advanced technologies to identify and proactively engage customers, including our most vulnerable customers.

Based on the information culled by the technology developed by the team, Mr. Ford reviewed Citizens' outreach campaign. He noted that the campaign was designed to inform customers about the eligibility for assistance and resources. He reported that the outreach campaign had distributed over 53,000 letters delivered by the postal system and 204,000 letters delivered via electronic mail (email). The email

correspondence included enhanced call to action buttons to allow online users a direct connection to assistance options and an account analyzer to help manage the payment of bills. They discussed tool enhancements and an upcoming spring/summer email campaign to continue engaging customers.

Following the presentations, small groups discussed ideas around how Citizens can address affordability and respond to the increasing need for customer assistance. Some ideas that the Board and management team discussed included education around financial stability, partnering with other community organizations and businesses to address and leverage the community need; and helping to facilitate discussions concerning affordability.

Mr. Rothstein was then invited to discuss with the Board his insights concerning water affordability. He highlighted the nation's water affordability dichotomy: utility rates are insufficient to meet infrastructure needs and utility rate increases are unaffordable for many. He reviewed the infrastructure funding gaps for water and wastewater utilities, reporting that the national need for water infrastructure funding exceeds \$470 billion and for wastewater the infrastructure funding gap exceeds \$270 billion. He noted that the inherent cost-based pricing of these utility services do not reflect the value of the services delivered.

Mr. Rothstein explained that water utility rates will continue to increase alongside the nation's increase in income inequality which leads to the dichotomy requiring the country to re-think how these barriers are addressed. He noted the various proposed changes to policy across the country to address affordability, including support from the American Water Works Association. He explained that the water emergencies of Flint, Michigan resulted in the Flint Water Advisory Task Force to report that the Flint water crisis should prompt re-investment in critical water infrastructure while providing mechanisms to advance affordability and universal access to water services. Mr. Rothstein presented various assistance programs proposed across the country and also recognized CWA's pending rate case and its proposed LICAP funding for as an important step toward addressing the affordability dichotomy. In addressing other assistance programs, he noted the Great Lakes Water Authority Water Residential Assistance Program (WRAP). He shared that the WRAP focuses on identifying customers who would benefit from residential

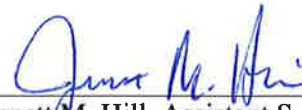
water audits, household plumbing repairs or toilet replacement programs, payment assistance, and other customer service options. Mr. Rothstein acknowledged that a single solution will not address the affordability dichotomy; however, additional water affordability research and program development along with community engagement should serve to advance the ball.

Following discussion, the Chair thanked the series of presenters, the Board for its input, and management for providing an engaging discussion around affordability. The Chair also expressed the Board's desire to continue the conversation for future agendas.

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



Daniel C. Appel, Chair
Board of Directors



Jennett M. Hill, Assistant Secretary
Board of Directors