

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD DECEMBER 11, 2019**

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 8:25 a.m., EST, Wednesday, December 11, 2019, at the offices of Citizens Energy Group (“Citizens”), 2150 Dr. Martin Luther King, Jr. Street, Indianapolis, Indiana.

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

Present from 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 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 Corporate Affairs, Jeff Brown; Director of Billing and Customer Service, Jeff Ford; Director of Government and External Affairs, Joseph Sutherland; and Senior Manager of Corporate Affairs, Shannon Stahley.

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 on November 20, 2019.

The Chair certified that the subjects discussed during the Executive Session of the Citizens Energy Group Board held on December 11, 2019 was limited solely to the items set forth in the Public Notice, attached as Exhibit "A".

As the owner of the outstanding capital stock of Citizens By-Products Coal Company d/b/a Citizens Resources, the Board authorized and appointed Mr. Appel to serve as proxy of and for the Board of Directors of Citizens Energy Group, to vote such stock at the January 13, 2020 Annual Meeting of the Shareholder of that corporation, or any adjournment of such meeting. Mr. Appel will have full power and authority to act for and on behalf of the Board in voting for all the nominees for directors of that corporation consisting of those individuals currently serving as members of this Board, and in the transaction of such other business as may come before that meeting, with full power of substitution and revocation, and further to execute such proxy appointment form(s) or other documents, as may be necessary to carry out the authority so granted by the Board.

The Chair addressed management's request to approve the filing set forth in Fuel Cost Adjustment (FAC) 56. Upon a motion duly made and seconded, the Citizens Board unanimously approved the following:

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that the proposed fuel cost adjustment ("FAC") rate in Cause No. 41969-FAC 56 of \$0.51602 to be effective February 1, 2020, subject to approval by the Indiana Utility Regulatory Commission, is hereby approved.

Next, the Chair invited Mr. Good to provide a report from the Audit and Risk Committee (the "Audit Committee"). Mr. Good reported that Ms. Karner updated the Audit Committee on the year-end financial statements for fiscal year (FY) 2019. He noted that overall net income was positive despite lower revenues due to the impact of the CWA rate case on the system integrity. He also acknowledged that the financial results include highly leveraged utilities with cash flow needs to service debt. He reported that the

Audit Committee was satisfied with the preliminary Fiscal Year 2019 Year-End Financial Statements for Citizens Energy Group and CWA Authority, Inc. and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the preliminary Fiscal Year 2019 Year-End Financial Statements for Citizens Energy Group and CWA Authority, Inc.

Mr. Good also reported that the external audit firm, Deloitte and Touche LLP (“Deloitte”), had substantially completed its audit of the FY2019 financials with no significant changes to the audit scope. He noted that Deloitte reviewed with the Audit Committee its areas of focus for the audit and expressed no concerns as a result of its audit work.

Mr. Good continued his report to the Board, noting that Mr. Siefer provided a report to the Audit Committee highlighting the progress of internal audit’s activities during calendar year 2019 and its areas of focus for 2020. He concluded his report to the Board by noting that the Audit Committee also received its annual report from Citizens’ Ethics Committee with no concerns reported.

The Chair next invited Mr. Terry to provide a report from the Compensation and Finance Committee (the “Committee”). Mr. Terry reported that Ms. Whitney presented to the Committee the proposed executive compensation distributions for eligible officers, including an overview of the results for the 2019 Short-Term Incentive Plan performance measures (overall customer satisfaction, cost containment, and safety) along with budgeted EBITDA. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the following:

WHEREAS, the Compensation and Finance Committee (“Committee”) evaluated the 2019 incentive and deferred compensation of executives employed by the Board of Directors (“Board”) for Utilities of the Department of Public Utilities of the City of Indianapolis (d/b/a Citizens Energy Group”) that, if payable, must be approved by the Board;

WHEREAS, in evaluating the officers’ 2019 incentive and deferred compensation, the Committee received from its delegates the estimated payments to the officers (stated as maximum potential amounts) that are payable under the Fiscal Year 2019 Short Term Incentive Pay (“STIP”) Plan, under the Restoration Policy for Citizens Energy Group (as amended and restated effective January 1, 2016) (“Restoration Policy”), and to officers for taxes due in the grandfathered deferred compensation arrangement under the Revised Citizens Energy Group Severance Pay Program (effective October 1, 2010) (“Severance Program”), all as identified on Exhibit A hereto;

WHEREAS, at a meeting duly called and conducted on December 11, 2019, the Committee determined that it recommend the Board adopt a resolution approving (i) all 2019 STIP payments due to officers, (ii) all 2019 Restoration Policy payments due to eligible officers, (iii) and all payments for taxes under the Severance Program due in 2019 to officers grandfathered under the program.

WHEREAS, the Board has determined that all FY2019 STIP distributions are due and payable to officers;

WHEREAS, the Board has determined that all 2019 Restoration Policy payments are due and payable to eligible officers; and

WHEREAS, the Board has also determined that all payments for taxes under the Severance Pay Program due in 2019 to officers grandfathered under the program are due and payable;

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. The FY2019 STIP payments due to Citizens Energy Group officers are hereby approved.

SECTION 2. The Restoration Policy payments due to eligible Citizens Energy Group officers for 2019 are hereby approved.

SECTION 3. The payments for taxes under the Severance Program due in 2019 to officers of Citizens Energy Group grandfathered under the program are hereby approved.

Mr. Terry also recognized that the Committee was satisfied with the work of Willis Towers Watson and recommended that the Board retain Willis Towers Watson through 2020. Upon a motion duly made and seconded, the Board unanimously approved the following:

NOW, THEREFORE, BE IT RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, that the retention of Willis Towers Watson through 2020 is hereby authorized and approved.

Mr. Appel then provided a report from the Energy Resources Executive Committee (the “Energy Committee”). He noted that Ms. Karner provided the Energy Committee with a financial report including an update that all energy units experienced a positive EBITDA. He also reported that Mr. Braun’s report to the Energy Committee included an industry update on the state of natural gas across the country. He noted that while natural gas provides energy to a substantial number of households in the United States, it accounts for only four percent of the country’s annual greenhouse gas emissions.

The Chair invited Mr. Lacy to provide a report from the meeting of the Wastewater Resources Executive Committee (the “Wastewater Committee”) held jointly with the Water Resources Executive Committee (the “Water Committee”) on November 20, 2019. Mr. Lacy reported that the Wastewater and Water Committees reviewed financial highlights for the utility systems. He reported that financial performance for the wastewater utility was in line with FY2019 expectations, noting that 72 percent of the utility’s capital budget will be spent in support of the Dig Indy project. Mr. Lacy also informed the Board that Mr. Willman’s joint presentation concerning water and wastewater operations included a summary of the AWWA Benchmark Survey results. This survey placed Citizens in the top quartile for operations and call center activities.

Mr. Lacy then reported on Mr. Jacob’s updates to the Wastewater Committee where the committee learned of the progress made on the Dig Indy project, highlighting that four phases of the project are now complete, four phases of the project are under construction, and the entire cost of the project is expected to come in \$400 million under budget and ahead of schedule.

Ms. Hicks was then invited to share additional highlights of the reports on behalf of the Water Committee. She affirmed Mr. Lacy’s report, noting that the water utility will have record volumes for 2019.

The Chair next invited Mr. Brehm to provide a financial update. Mr. Brehm reported that it was early in the fiscal year with no significant financial trends to report.

The Chair invited Mr. Popp to provide the Board with an update on Customer Service. Mr. Popp reviewed the strategic goals for customer service, including goals to addressing affordability issues facing Marion County and continued improvement of customer satisfaction. He reported on the status of various initiatives and accomplishments during FY2019, including Citizens’ efforts to leverage advanced technologies to inform the operational needs of the contact center and impact customer satisfaction. He concluded his report to the Board by highlighting a few initiatives underway for FY2020. Upon request from the Board, Mr. Popp noted that future presentations will include customer satisfaction data concerning field service experiences.

The Chair then invited public comment. There being no public comment, the Chair recognized the Board's full participation in its support of the Warm Heart Warm Home Foundation, Inc. The Chair then reported that on December 2, 2019, the Board of Trustees of Citizens Energy Group held its annual meeting where all members of the current Board of Directors were reappointed to serve on the Board for another term, effective January 1, 2020. In addition, the Trustees, along with the Chair, expressed appreciation to the Board, management, and field service teams all of whom are dedicated to providing safe, reliable service to its customers and in furtherance of the purposes of the Trusts.

The Board then addressed certain governance matters. Upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the following:

RESOLVED, by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that each of the individuals listed below are hereby appointed to serve as a director of the Board of Directors of Warm Heart Warm Home Foundation, Inc. for a term of one (1) year, or until his or her successor is appointed and qualified:

Michael Allen	Jeff Ford	Korlon Kilpatrick
Melissa Lawson	Mary Owen	Gregory Sawyers
Jodi Whitney		

RESOLVED, by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that each of the individuals listed below are hereby appointed to serve as a director of the Board of Directors of Citizens Investment Collaboration on Neighborhoods, Inc. for a term of one (1) year, or until his or her successor is appointed and qualified:

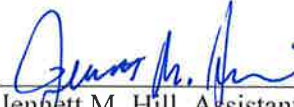
Debi Bardhan	Jessica Castellanos	Suzanne Gaidoo
Rhonda Harper	Jennifer Stansberry	John Trypus
Jeffery A. Willman	Phil Zbojnowicz	

RESOLVED, by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that, and pursuant to its recognition and continued maintenance of the Service Advisory Board (SAB), David C. George is hereby appointed to serve as the Chair of the SAB for a term of one (1) year or until his successor is appointed and qualified.

There being no further business, the meeting was adjourned.



Anne Nobles, Chair
Board of Directors



Jennett M. Hill, Assistant Secretary
Board of Directors