

**MINUTES OF THE JOINT MEETING  
OF THE BOARDS OF DIRECTORS OF  
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.  
HELD DECEMBER 16, 2020**

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 electronically, via video-conference, at 8:20 a.m., EST, Wednesday, December 16, 2020, consistent with prevailing executive orders governing such meetings resulting from the Governor’s declaration of a public health emergency for the coronavirus disease 2019 outbreak (COVID-19).

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

Present from Citizens Energy Group (“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; Senior Vice President and Chief Customer Officer, Michael D. Strohl; Vice President of Energy Operations, J.P. Ghio; Vice President and Controller, Sabine E. Karner; Vice President of Information Technology, John F. Lucas; 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 Billing and Customer Services, Jeff Ford; Director of Regulatory Affairs, Korlon Kilpatrick; Director of Customer Relationships, Greg Sawyers; and Senior Manager of Corporate Affairs, Shannon Stahley.

The meeting was called to order by the Chair of the Board. All members of the Board were pronounced present following a voice roll call by the Secretary. 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 Chair certified that the subjects discussed during the Executive Session of the Board held on December 16, 2020 were limited solely to the items set forth in the Public Notice, attached as Exhibit “A”.

The Chair addressed management’s request to approve the filing set forth in Fuel Cost Adjustment 60. Upon a motion duly made and seconded, the Citizens Board of Directors (the “Citizens Board”) unanimously ratified and approved the following resolution by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**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 60 of \$0.54039 to be effective February 1, 2021, subject to approval by the Indiana Utility Regulatory Commission, is hereby approved.

The Chair also addressed management’s request to approve the filing set forth in Gas Cost Adjustment 148. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the following resolution by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**RESOLVED** by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that the updated filing with the Indiana Utility Regulatory Commission (“IURC”) for the proposed gas cost adjustment (“GCA”) rates in Cause No. 37399-GCA 148 for December 2020, January and February 2021 is hereby approved and ratified. Pursuant to the terms of the monthly GCA mechanism, the management and staff hereby are authorized to modify the GCA rates for December 2020, January and February 2021 in accordance with the terms of Cause No. 37399-GCA 75 Order and the Order in Cause No. 37399-GCA 148, which were approved by the IURC in November 2020.

The Chair then addressed management’s request to approve the compliance filing set forth in Rider F – Universal Service Fund Rider. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the following resolution by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**RESOLVED** by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that the Rider F – Universal Service Fund Rider Compliance filing made with the IURC effective October 1, 2020 is hereby ratified and approved.

The Chair addressed management’s request to approve the filing set forth in Cause No. 44685-S1 on behalf of CWA Authority, Inc. (“CWA”). Upon a motion duly made and seconded, the CWA Board of

Directors (the “CWA Board”) unanimously ratified and approved the following resolution by roll call vote;

viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**WHEREAS**, CWA Authority, Inc. (“CWA”), is an Indiana nonprofit corporation established pursuant to Indiana Code 23-17, 36-1-7 and 8-1-11.1 and the “Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater)” (the “Interlocal Agreement”) among the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group (“Citizens Energy Group”), the City of Indianapolis (the “City”) and the Sanitary District of the City, acting by and through the Board of Public Works (the “Sanitary District”); and

**WHEREAS**, pursuant to an Asset Purchase Agreement consummated on August 26, 2011, CWA acquired the wastewater utility assets formerly owned by the City and the Sanitary District; and

**WHEREAS**, the persons who are members of the Citizens Energy Group Board of Directors constitute the Board of Directors of CWA (the “CWA Board”) pursuant to the provisions of the Interlocal Agreement and CWA’s Articles of Incorporation; and

**WHEREAS**, pursuant to the Interlocal Agreement, Citizens Energy Group delegated to and vested in CWA all of Citizens Energy Group’s powers that are necessary, useful or appropriate to acquiring, owning and operating the wastewater utility system; and

**WHEREAS**, the CWA Board has the statutory powers of Citizens Energy Group to adopt rules and rates for wastewater utility service under Indiana Code Section 8-1-11.1-3(c)(9), subject to the approval of such rules and rates for service by the Indiana Utility Regulatory Commission (the “Commission”); and

**WHEREAS**, on July 26, 2017, the Commission issued its final order in Cause No. 44685-S1 (the “Final Order”) approving a settlement agreement (the “Settlement Agreement”) between CWA, the Indiana Office of Utility Consumer Counselor and certain customers that receive wholesale treatment services from CWA (the “Satellite Customers”); and

**WHEREAS**, the Settlement Agreement and Final Order authorized CWA to implement certain special contracts and periodic revisions to its rates and charges designed to eliminate a subsidy of certain Satellite Customers and transition such customers to a single tariff with cost based rates in a reasonable and gradual manner; and

**WHEREAS**, on November 18, 2019, CWA submitted to the Commission a compliance filing that sets forth a revised set of rates and charges that became effective on January 1, 2020, in accordance with the Settlement Agreement and Final Order; and

**WHEREAS**, on October 19, 2020, CWA submitted to the Commission a compliance filing that sets forth a revised set of rates and charges scheduled to become effective on January 1, 2021, in accordance with the Settlement Agreement and Final Order.

**NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF CWA AUTHORITY, INC., AS FOLLOWS:**

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

**SECTION 2.** The Settlement Agreement attached hereto and incorporated herein by reference and the special contracts and rates and charges set forth therein are hereby ratified, confirmed and approved.

**SECTION 3.** The November 18, 2019 compliance filing attached hereto and incorporated herein by reference and the revised schedules of rates and charges set forth therein are hereby ratified, confirmed and approved.

**SECTION 4.** The October 19, 2020 compliance filing attached hereto and incorporated herein by reference and the revised schedules of rates and charges set forth therein are hereby ratified, confirmed and approved.

**SECTION 5.** The CWA Board authorizes and directs management of CWA to take such additional actions as deemed necessary and desirable, including but not limited to submitting to the Commission further compliance filings in Cause No. 44685-S1, in order to implement revised rates and charges in accordance with the Settlement Agreement and Final Order.

The Chair also addressed management's request to approve the filing set forth in Cause No. 45151.

Upon a motion duly made and seconded, the CWA Board unanimously approved the following resolution by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**WHEREAS**, CWA Authority, Inc. ("CWA"), is an Indiana nonprofit corporation established pursuant to Indiana Code 23-17, 36-1-7 and 8-1-11.1 and the "Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater)" (the "Interlocal Agreement") among the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group ("Citizens Energy Group"), the City of Indianapolis (the "City") and the Sanitary District of the City, acting by and through the Board of Public Works (the "Sanitary District"); and

**WHEREAS**, pursuant to an Asset Purchase Agreement consummated on August 26, 2011, CWA acquired the wastewater utility assets formerly owned by the City and the Sanitary District; and

**WHEREAS**, the persons who are members of the Citizens Energy Group Board of Directors constitute the Board of Directors of CWA (the "CWA Board") pursuant to the provisions of the Interlocal Agreement and CWA's Articles of Incorporation; and

**WHEREAS**, pursuant to the Interlocal Agreement, Citizens Energy Group delegated to and vested in CWA all of Citizens Energy Group's powers that are necessary, useful or appropriate to acquiring, owning and operating the wastewater utility system; and

**WHEREAS**, the CWA Board has the statutory powers of Citizens Energy Group to adopt rules and rates for wastewater utility service under Indiana Code Section 8-1-11.1-3(c)(9), subject to the approval of such rules and rates for service by the Indiana Utility Regulatory Commission (the "Commission"); and

**WHEREAS**, on September 26, 2018, the CWA Board authorized and directed management of CWA to file with the Commission a petition and testimony in support thereof and to take such additional action as deemed necessary and desirable in support of the Commission authorizing revised rates and charges to be implemented in three phases

necessary, in part, to recover additional debt service costs to be incurred as a result of three debt issuances to be made by CWA in 2019, 2020 and 2021; and

**WHEREAS**, on July 29, 2019, the Commission issued its final order in Cause No. 45151 (the “Final Order”) approving a settlement agreement between CWA, the Indiana Office of Utility Consumer Counselor and other parties to Cause No. 45151 (the “Settlement Agreement”). The Settlement Agreement and Final Order authorized CWA to implement revised rates and charges to be implemented in three phases, subject to debt service true-up compliance filings to be submitted to and approved by the Commission in accordance with the Final Order to reflect the actual interest rate and debt service costs associated with the phase 1, phase 2 and phase 3 debt issuances; and

**WHEREAS**, on November 12, 2019, CWA submitted to the Commission the phase 1 debt service true-up compliance filing attached hereto and incorporated herein by reference; and

**WHEREAS**, on October 16, 2020, CWA submitted to the Commission the phase 2 debt service true-up compliance filing attached hereto and incorporated herein by reference.

**NOW, THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS OF CWA AUTHORITY, INC., AS FOLLOWS:**

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

**SECTION 2.** The November 2019 and October 2020 debt service true-up compliance filings attached hereto and incorporated herein by reference and the revised schedules of rates and charges set forth therein, which have been approved by the Commission, are hereby ratified, confirmed and approved.

**SECTION 3.** The CWA Board authorizes and directs management of CWA to take such additional action as deemed necessary and desirable in support of the phase 3 debt issuance, including but not limited to, filing with the Commission a phase 3 debt service true-up compliance filing with a revised schedule of rates and charges reflecting the actual interest rate and debt service costs associated with the phase 3 debt issuance.

Next, the Chair invited Mr. Good to provide a report of 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) 2020. He noted that overall net income had increased from the prior year. He underscored the importance of accessible cash to fund debt obligations for each utility. He further reported that the organization had good liquidity overall.

Mr. Good also reported that the external auditors, Deloitte and Touche LLP (“Deloitte”), had substantially completed its FY 2020 financial audit. The auditors explained that they had no concerns to report and expected to issue an unqualified opinion. He also informed the Board that consistent with best

practices, Jeff McFarland will rotate off as Deloitte’s lead partner for these financial audits. Jason Gambone will assume this role for the coming audit.

Mr. Good closed by informing the Board that the Audit Committee was satisfied with the preliminary Fiscal Year 2020 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-End 2020 Financial Statements for Citizens Energy Group and CWA Authority, Inc. by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

The Chair 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 2020 Short-Term Incentive Plan performance measures. He noted that the officers performed very well this year and met or exceeded every component of the Short-Term Incentive Pay plan. He congratulated the management team on its excellent performance and, on behalf of the Committee, recommended approval of the executive compensation distributions. Following discussion, and upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**WHEREAS**, the Compensation and Finance Committee (“Committee”) evaluated the 2020 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’ 2020 incentive and deferred compensation, the Committee has received from its delegates the estimated payments to officers (stated as maximum potential amounts) that are payable under the Fiscal Year 2020 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 under the Revised Citizens Energy Group Severance Pay Program (as amended and restated effective May 15, 2015 for grandfathered officers) (“Severance Program”), all as identified on Attachment A hereto; and

**WHEREAS**, at a meeting duly called and conducted on December 16, 2020, the Committee determined that it recommend the Board adopt a resolution approving (i) all 2020 STIP payments due to officers, (ii) all 2020 Restoration Policy payments due to

eligible officers, (iii) and all payments for taxes under the Severance Program due in 2020 to officers grandfathered under the program.

**WHEREAS**, the Board has determined that all FY2020 STIP distributions are due and payable to officers;

**WHEREAS**, the Board has determined that all 2020 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 2020 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 FY2020 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 2020 are hereby approved.

**SECTION 3.** The payments for taxes under the Severance Program due in 2020 to officers of Citizens Energy Group grandfathered under the program are hereby approved.

Ms. Nobles then provided a report from the Energy Resources Executive Committee (the “Energy Committee”). She noted that Ms. Karner provided the Energy Committee with a financial report and noted that all Energy units experienced varying degrees of revenue decreases due to a combination of the pandemic and the milder winter season. She also reported that Mr. Ghio’s report to the Energy Committee included an update concerning gas utility’s winter preparedness so as to meet customer demands during the heating season. She noted that the gas transmission and distribution systems were prepared to meet customer demands and that customers could expect their winter bills this season to reflect those of normal winter conditions. In addition, Mr. Ghio provided the Energy Committee an update concerning COVID-19 and its impact on the Citizens workforce.

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 18, 2020. Mr. Lacy reported that the Wastewater and Water Committees reviewed financial highlights for the utility systems with Ms. Karner. He reported that in wastewater operations, the load shift from commercial to residential during the pandemic resulted in an unfavorable variance due to a tariff provision which limits residential bills during the summer months to

the lower of actual usage or winter average usage. Furthermore, Mr. Lacy reported that the wastewater utility issued new debt to finance ongoing consent decree projects and now has over \$2 billion of outstanding long-term debt. Mr. Lacy concluded his report by noting that the Wastewater and Water Committees received an update concerning the COVID-19 pandemic and its impact on Citizens workforce and customers. He noted that approximately 9,000 customers are eligible for disconnection, however, a majority of these customers are on a payment arrangement to maintain utility services.

Ms. Hicks then reported on Ms. Karner's financial report concerning the water utility. She reported that the utility is on target against budget with a small increase in revenue that is offset by the utility's bad debt due to the hardships experienced by customers during the pandemic. Mr. Willman also provided updates to the Water Committee concerning long-term water supply planning. She noted that Citizens 50-year Integrated Water Resource Plan is reviewed and updated annually for the Citizens Water system. She highlighted that Citizens would remain focused on long-term water supply planning to ensure Central Indiana is well prepared for growth and has sufficient water supply for future generations.

The Chair invited Mr. Brehm to provide a financial report. Mr. Brehm reported that current projections for fiscal year 2021 remain unchanged from budget with no identified material trends that would dictate a revised plan. He also reported that in late fiscal year 2020, given the favorable market conditions, CWA completed a new round of financing. He noted that completion of this financing was a prerequisite to implementing phase 2 of approved rate increases for the wastewater utility which would yield \$1.4 million in annual savings. Mr. Brehm complimented Ms. Mamuska-Morris and Mr. Kilpatrick for their leadership in executing this financing transaction consistent with regulatory requirements on behalf of the Trust.

The Chair invited Mr. Harrison to present the report of the President and CEO. Mr. Harrison reported on operational activities. He discussed the impact of the COVID-19 pandemic on the workforce, noting that management continues to evaluate the timeline for employees working remotely to return to the workplace. He also reported that the Dig Indy tunnel project is moving along well and commended the project team for doing an excellent job overseeing the project every day. He reported that mining on the



last section of the tunnel, the Pleasant Run Tunnel, is expected to begin early in 2021. Mr. Harrison noted that, to date, the 10-mile section of the system that is fully operational has prevented over 2.1 billion gallons of raw sewage discharge from entering local rivers and streams. Also, on the construction front, he reported that the new Citizens Reservoir remains on schedule for a year-end completion with full operations anticipated in the summer of 2021. He concluded by reporting on customer account activities, including Citizens communication plan to stay in touch and update the community concerning Citizens' response to the COVID-19 pandemic.

The Chair next invited Mr. Ford to present his report on Customer Service. Mr. Ford's presentation explained how Citizens achieved its goal of maintaining continuity of service for customers during the COVID-19 pandemic thus far. He also discussed post-moratorium practices, including payment arrangements, outreach efforts and bill assistance programs. Upon inquiry from the Board, Mr. Ford reported that Citizens is in the process of implementing a more aggressive plan to provide customers additional information regarding bill assistance. He noted that management is working with community partners to help with this outreach. Mr. Strohl explained that Citizens does not control many of the bill assistance programs but that Citizens was working with community partners to see how we can help disseminate the information. The Board thanked Mr. Ford for his detailed report and commended all efforts to work with stakeholders and customers to maintain continuity of service for our customers during this difficult time.

The Board then addressed certain governance matters. Upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution concerning the Warm Heart Warm Home Foundation, Inc., by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**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  
Melissa Lawson  
Jodi Whitney

Jeff Ford  
Mary Owen

Korlon Kilpatrick  
Gregory Sawyers

Upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution concerning Citizens Investment Collaboration on Neighborhoods, Inc., by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**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:

Jessica Castellanos  
Jennifer Stansberry  
Jeffrey A. Willman

Rhonda Harper  
John Trypus  
Phil Zbojniewicz

Jennifer Mentink  
Alejandro "Alex" Valle

Upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution concerning the Service Advisory Board, by roll call vote; viz:

*9 YEAS: Appel, Carlstedt, Good, Hicks, Lacy, Nobles, Quintana, Terry, and Whitsett*

**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.

Following discussion, the Chair recognized the Board's participation in support of the Warm Heart Warm Home Foundation, Inc. She also acknowledged and thanked management and staff for their extraordinary performance this year, including their tireless efforts to reach Citizens customers to provide assistance during the pandemic.

The Chair then reported that on December 7, 2020, the Board of Trustees of Citizens Energy Group held its annual meeting where each eligible member of the Board of Directors was reappointed to serve on the Board for another term, effective January 1, 2021. The Chair explained that, while he enjoyed serving on the Board, Mr. Whitsett expressed his desire to serve only until the end of his current term. The Chair affirmed that Mr. Whitsett joined the Board in 2014 and immediately became an integral member of the Board. She thanked Mr. Whitsett for his commitment to and service on the Board.

There being no further business, the Chair adjourned the meeting.

DocuSigned by:

*Anne Nobles*

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Anne Nobles, Chair  
Board of Directors

DocuSigned by:

*Jennett M. Hill*

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Jennett M. Hill, Assistant Secretary  
Board of Directors