

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD FEBRUARY 17, 2021**

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 (“Citizens”) and the Board of Directors of CWA Authority, Inc. (jointly referred to as the “Board” unless otherwise noted) convened electronically, via video-conference, at 8:50 a.m., EST, Wednesday, February 17, 2021, 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), Sherry D. Davis, Jeffrey E. Good, Christia Hicks, J.A. Lacy, Maria M. Quintana, and Phillip A. Terry.

Present from Citizens: Jeffery A. Harrison, President and Chief Executive Officer; John R. Brehm, Senior Vice President and Chief Financial Officer; Jennett M. Hill, Senior Vice President and General Counsel; Michael D. Strohl, Senior Vice President and Chief Customer Officer; J.P. Ghio, Vice President of Energy Operations; Mark C. Jacob, Vice President of Capital Programs and Engineering; Sabine E. Karner, Vice President and Controller; John Lucas, Vice President of Information Technology; Curtis H. Popp, Vice President of Customer Operations; LaTona S. Prentice, Vice President of Regulatory and External Affairs; Jodi L. Whitney, Vice President of Human Resources and Chief Diversity Officer; Jeffrey A. Willman, Vice President of Water Operations; Korlon Kilpatrick, Director of Regulatory Affairs; and Shannon Stahley, Senior Manager of Corporate Affairs.

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. Ms. Nobles recused

herself from Board action related to matters involving 16 Tech Community Corporation. No other items or conflicts were identified.

The Chair addressed management's request to approve the filing set forth in Gas Cost Adjustment (GCA) 149. Upon a motion duly made and seconded, the Citizens Board of Directors unanimously approved the following resolution by roll call vote; viz:

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

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 149 for March, April and May 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 March, April and May 2021 in accordance with the terms of the Order in Cause No. 37399-GCA 75 and the Order in Cause No. 37399-GCA 149, which are subject to approval by the IURC in February 2021.

Next, the Chair invited Mr. Good to provide a report from the Audit and Risk Committee (the "Committee"). Mr. Good reported that the organization experienced a solid quarter with a five percent increase in net income over last year. He noted that liquidity was good overall, and that Citizens had sufficient funds to meet its obligations. He further reported that the Committee was satisfied with the preliminary Fiscal Year 2021 First Quarter 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 2021 First Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc. by roll call vote; viz:

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

Mr. Good also reported that the external audit firm, Deloitte and Touche LLP ("Deloitte"), completed its quarterly review with no significant findings to report to the Committee. Mr. Good noted that the audit committee, as described and used in Indiana Code section 5-11-1-24.4(e), considered and approved both Deloitte's proposed 2021 Audit Engagement Letter Addendum and proposed 2021 Audit Fees for Citizens Energy Group and CWA Authority, Inc. He reported that the Committee recommend to the Board approval of both matters. Following discussion, and upon a motion duly made and seconded, the

Board unanimously approved the proposed 2021 Audit Engagement Letter Addendum for Citizens Energy Group and CWA Authority, Inc. by roll call vote; viz:

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

Thereafter, and upon a motion duly made and seconded, the Board unanimously approved the proposed 2021 Audit Fees for Citizens Energy Group and CWA Authority, Inc. by roll call vote; viz:

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

Finally, Mr. Good reported that Ms. Shunk provided her report to the Committee highlighting the status of audits and advisory projects completed by the internal audit department. He reported that the internal audit team has managed to complete audits and advisory projects consistent with the Internal Audit Strategic Plan despite the changes in operation caused by the pandemic.

The Chair next invited Mr. Brehm to provide a financial update. Mr. Brehm reviewed fiscal year 2021 projections and noted the adverse impacts caused by the pandemic on Citizens utilities. He reported that financial impacts for Citizens Gas were offset by the normal temperature adjustment mechanism. He also noted that the steam utility's financial performance stemmed chiefly from the cold weather but that the pandemic will likely negatively impact the utility's revenue in the future. The wastewater utility experienced a more material impact on revenue in part caused by the pandemic but also due to the lower usage for minimum charge calculation and lower surcharge revenue. Overall, he expects to see continued pressure on utility revenues caused by the pandemic. Mr. Brehm also noted that liquidity across all business units remains strong. Upon inquiry from the Board concerning the catastrophic weather event in Texas and the resulting impact on gas supply and delivery, Mr. Ghio explained that the Citizens Gas operations team plans for and designs the system to withstand extreme cold weather conditions so as to avoid the unfortunate outages experienced in Texas.

Mr. Willman provided a report from Water operations. He reviewed a proposal to approve the sale of certain property, a 6.8 acre parcel located on Waterway Boulevard (the "Property"), to the 16 Tech Community Corporation ("16 Tech"). He reported that authorizing the proposed sale of the Property to 16 Tech would allow for the construction of a new bridge to be built over Fall Creek (connecting the IUPUI

and 16 Tech campuses) and other related road improvements. He noted that the requisite relocation of certain utilities and other infrastructure improvements have been completed and funded by 16 Tech and importantly, affirmed that the sale of the Property will not impact the operation of the water system. Following discussion, and upon a motion duly made and seconded, the Citizens Board approved the following resolution by roll call vote; viz:

8 YEAS: Appel, Carlstedt, Davis, Good, Hicks, Lacy, Quintana, and Terry

1 ABSTAIN: Nobles

WHEREAS, the Department of Public Utilities for the City of Indianapolis, acting by and through the Board of Directors for Utilities of the Department of Public Utilities (the “Board”) as trustee of the public charitable trust for the water system (the “Water Trust”) d/b/a Citizens Energy Group (“Citizens Energy Group” or “Citizens”) is vested by Indiana Code § 8-1-11.1 (the “Act”) with the exclusive government, management, regulation, and control of certain utility operations and properties located in and around Marion County, Indiana; and

WHEREAS, the Board owns real property located in Marion County, Indiana that is more commonly known as 1220 Waterway Boulevard, Indianapolis, Indiana (the “Property”), and more particularly described in that certain Contract for Purchase of Real Estate by and between 16 Tech Community Corporation, an Indiana non-profit corporation (“16 Tech”), and Citizens, dated as of May 20, 2019 (the “Purchase Agreement”), that has previously been used in the operation of a water system (the “System”); and

WHEREAS, 16 Tech is developing an urban innovation project in the historic Riverside neighborhood on the northwest edge of downtown Indianapolis, where Fall Creek meets the White River, to facilitate further economic growth in Central Indiana by providing a unique urban district where innovators and entrepreneurs in the life sciences, technology, advanced manufacturing and engineering come together, supported by the region’s top-ranking research universities and global corporations, to leverage their efforts (the “16 Tech Project”); and

WHEREAS, the 16 Tech Project includes the former headquarters property of the water system located on the north side of 1220 Waterway Boulevard, which the City of Indianapolis, Indiana (the “City”) acquired from Citizens on July 28, 2015, through the exercise of an option granted as a part of Citizens’ acquisition of the System pursuant to the Asset Purchase Agreement entered into among the Board, the City and the Department of Waterworks of the City on August 11, 2010 (the “2010 Asset Purchase Agreement”) and approved by the Indiana Utility Regulatory Commission (“Commission”) by its July 13, 2011 Order in Cause No. 43936 (the “43936 Order”); and

WHEREAS, representatives of 16 Tech approached Citizens regarding acquiring the Property to facilitate the 16 Tech Project, as it is located in an area critical to the 16 Tech Project development plan and for the construction of a bridge across Fall Creek, which will accommodate vehicular, bicycle, and pedestrian traffic, and will connect the 16 Tech Project to the Indiana University-Purdue University campus; and

WHEREAS, the Property (located adjacent to the former water system headquarters and the Citizens Riverside pump station) contains underground improvements that serve the operations of the System (the “System Infrastructure”); and

WHEREAS, the Purchase Agreement contemplates that 16 Tech would be responsible for appropriately relocating the System Infrastructure prior to closing of the transaction, and that relocation of the System Infrastructure has been completed; and

WHEREAS, by completing the transaction contemplated by the Purchase Agreement, Citizens can facilitate the 16 Tech Project as an important development initiative in its service territory providing benefits for and to the community and the beneficiaries of the Water Trust, while at the same time maintain the System Infrastructure located on or under the Property for the operation of the System; and

WHEREAS, the sale of the Property, pursuant to the terms of the Purchase Agreement and the easement reserving the right to access, maintain, replace and use the System Infrastructure (the “Easement Rights”), will not impede the provision of safe and reliable utility services and operation of the System; and

WHEREAS, 16 Tech and Citizens have procured three independent appraisals of the fee interest (prior to reconciling the value of retained assets, the Easement Rights and the costs of relocation of System Infrastructure to be paid for by 16 Tech), on which the purchase price of the Property as the fair market value of One Million Five Hundred Sixty-Four Thousand Six Hundred Ninety and No/100 Dollars (\$1,564,690.00) was determined and agreed to under the Purchase Agreement; and

WHEREAS, based on the report of management, and following the relocation of the System Infrastructure and confirmation of Citizens’ Easement Rights, the Board has determined that the Property being sold to 16 Tech under the Purchase Agreement is not necessary for the operation of the System nor to fulfill the purposes of the Water Trust and therefore is “Surplus Property” as that term is defined in Section 8.08(b) of the 2010 Asset Purchase Agreement and the same finding is also made for purposes of Section 919 in each of the First Lien Master Trust Indenture and Second Lien Master Trust Indenture, each dated as of July 1, 2011 (the “Water Indentures”); and

WHEREAS, the Board has further determined, in its business judgment, that for the reasons described in these Resolutions, the sale of the Property to 16 Tech, on the terms and conditions set forth in the Purchase Agreement, is in the best interests of Citizens, its customers, and the Water Trust and its beneficiaries; and

WHEREAS, the transaction contemplated by the Purchase Agreement is anticipated to close in the first quarter of 2021, subject to the Board’s approval of this transaction; and

WHEREAS, Section 8.08(b) of the 2010 Asset Purchase Agreement specifically authorizes the Board to sell, lease, or otherwise dispose of Surplus Property, provided that the proceeds from sale of Surplus Property “shall be utilized for the benefit of the trust beneficiaries;” and

WHEREAS, the Board has determined that, in the exercise of its fiduciary duty and in accordance with the terms of the 2010 Asset Purchase Agreement, it has the power

to sell the Property pursuant to the Purchase Agreement, and that the proceeds from such sale or other disposition are to be used in furtherance of the purposes of the Water Trust; and

WHEREAS, in the 43936 Order, the Commission required that: “Citizens [Water] shall provide notice to the Commission and the [Office of Utility Consumer Counselor (OUCC)] of [its] intent to sell surplus property with a value in excess of \$50,000” and such notice is to include “a detailed description of the property to be sold and a statement explaining why Citizens believes the property is surplus property.”

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

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

Section 2. The Board hereby finds the Property is not necessary for the operation of the System nor to fulfill the purposes of the Water Trust and constitutes Surplus Property as defined in Section 8.08(b) of the 2010 Asset Purchase Agreement, subject to the reservation of the Easement Rights. The Board makes the same finding for purposes of Section 919 contained in each of the Water Indentures.

Section 3. The Board hereby finds that the disposition of the Property will not render the Board incapable of fulfilling its obligations under the Water Trust and is desirable for the proper conduct of the Water Trust’s business, is in the best interests of the Water Trust and its beneficiaries, and the proceeds of the sale will be utilized for the benefit of trust beneficiaries.

Section 4. The Board hereby approves, ratifies, confirms, and authorizes the performance of the Purchase Agreement based upon the terms of the Purchase Agreement and the conveyance of the Property in accordance with the terms of the Purchase Agreement, all as contemplated by Indiana Code § 36-1-11-8, Indiana Code § 8-1-11.1-3, and any other applicable provisions of law. The proceeds of the aforementioned transfer shall be used for the benefit of beneficiaries of the Water Trust.

Section 5. The officers of the Board and each of them are authorized to take any and all actions necessary to carry out the purposes and intent of these Resolutions and the Purchase Agreement, including, without limitation the execution and delivery of such other documents as may be determined necessary or desirable to carry out the terms and conditions of these Resolutions, and directing the filing of the required notice with the Commission and the OUCC.

There being no further business, the meeting was adjourned.

DocuSigned by:

Anne Nobles

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Anne Nobles, Chair
Board of Directors

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Jennett M. Hill

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Jennett M. Hill, Assistant Secretary
Board of Directors