

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD MAY 18, 2016**

Pursuant to notice duly given and posted as required by law, the 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 10:00 a.m. EST, Wednesday, May 18, 2016, at the Langsdale offices of Citizens Energy Group (“Citizens”), 2150 Dr. Martin Luther King, Jr. Street, Indianapolis, Indiana.

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

Present from 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, Christopher H. Braun; Vice President of Capital Programs and Engineering, Mark Jacob; Vice President of Strategy and Corporate Development, Aaron D. Johnson; 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, Safety and Security, Jodi Whitney; Vice President of Water Operations, Jeffrey A. Willman; and Director of Brand Development, Jeff Brown; Director of Quality Systems, Beth Glidden; and Director of Accounting Services, Phil Zbojniewicz.

The meeting was called to order by the Chair.

The Board considered the minutes of its last 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 April 20, 2016.

The Chair certified that the subject matter of the discussion during the Executive Session of the Board held on May 18, 2016 was solely limited to the items set forth in the Public Notice, attached as Exhibit "A".

The Chair requested Board members to recuse themselves from any action items on the agenda if they identified a conflict. No items were identified.

Chairman Appel then addressed management's request to approve the energy efficiency filing set forth in the Gas Cost Adjustment (GCA 130). Upon a motion duly made and seconded, the 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 GCA 130, attached as Exhibit "B", is hereby ratified, confirmed, and approved.

Next, the Chair invited Mr. Good to provide a report from the Audit and Risk Committee (the "Committee"). Mr. Good acknowledged that the Committee was satisfied with the Preliminary Fiscal Year 2016 Second Quarter (Q2) Financial Statements and recommended approval to the Board. Thereafter, and upon a motion duly made and seconded, the Board unanimously approved the Preliminary Fiscal Year 2016 Q2 Financial Statements for Citizens Energy Group and CWA Authority. Next, Mr. Good presented a proposed Enterprise Risk Management Charter for Citizens Energy Group and recommended approval to the Board. Following discussion and upon a motion duly made and seconded, the Board unanimously approved the Enterprise Risk Management Charter for Citizens Energy Group.

Next, the Chair invited Mr. Terry to provide a report from the Compensation and Finance Committee (the "Finance Committee"). He noted that Ms. Mamuska-Morris presented to the Finance Committee a proposed bond refunding for the gas utility (doing business as Citizens Gas) for consideration and approval. He reported that authorizing management to pursue this opportunity would have a favorable impact to customers by lowering debt service for Citizens Gas which would lower the overall gas rates for the utility's customers. Mr. Terry acknowledged that the Finance Committee was satisfied with the proposed bond refunding and recommended approval to the Board of Directors for Citizens Energy Group.

Following discussion and upon a motion duly made and seconded, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis ("Citizens") unanimously approved the following:

WHEREAS, the Board previously issued the City of Indianapolis, Indiana Gas Utility Distribution System Second Lien Revenue Refunding Bonds, Series 2008B (the "2008 Bonds"); and

WHEREAS, the Board desires to refund, in whole or in part, the 2008 Bonds by issuing the City of Indianapolis, Indiana Gas Utility Distribution System Second Lien Revenue Refunding Bonds, Series 2016A (the "Series 2016 Bonds"), in one or more series, pursuant to this Resolution, the Act and the Bond Documents to accomplish a refunding of the 2008 Bonds; and

WHEREAS, all bonds issued in accordance with, and pursuant to this Resolution, shall be limited obligations of the City of Indianapolis, payable solely as provided in the Trust Indenture (as defined herein).

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF INDIANAPOLIS, as follows:

Section 1. Recitals. The foregoing Recitals are incorporated into this Resolution by this reference.

Section 2. Definitions. Terms used in this Resolution are used with the respective meanings ascribed to such terms in the following paragraphs (unless otherwise provided):

"Act" means Indiana Code 8-1-11.1, 5-1-5, 5-1-6 and other relevant law, as and to the extent applicable to the Transactions.

"Bond Documents" means (a) the Trust Indenture, (b) the Supplemental Trust Indenture, (c) the Contract of Purchase, (d) the Official Statement, (e) the Continuing Disclosure Undertaking Agreement, (f) the Series 2016 Bonds, (g) any Liquidity Facility Agreement and Credit Facility Agreement, (h) any Remarketing Agreement, and (i) the Escrow Deposit Agreement.

"Bonds" means the City of Indianapolis, Indiana Gas Utility Distribution System Second Lien Revenue Refunding Bonds, Series 2016A.

"City" means the City of Indianapolis, acting by and through the Board.

"City of Indianapolis" means the City of Indianapolis, a consolidated city and municipal corporation of the State of Indiana.

"Continuing Disclosure Undertaking Agreement" means the Continuing Disclosure Undertaking Agreement, between the City and the Trustee, as counterparty, in connection with the City's continuing disclosure obligations with respect to the Bonds.

"Contract of Purchase" means the Contract of Purchase, between the City and the Underwriter, providing for the sale of the Bonds to the Underwriter.

"Credit Facility" means an irrevocable letter of credit, bond insurance policy or other credit support mechanism or agreement issued by a Credit Provider, as security for the payment of the Bonds or any portion of the Bonds or such other facility secured or obtained by any Executive Officer at the time of the issuance of the 2016 Bonds or contemporaneous with a Put Date.

"Credit Facility Agreement" means a reimbursement agreement or a similar agreement, between the City and a Credit Provider, in connection with the provision of any Credit Facility.

"Credit Provider" means a financial institution, insurer or other similar entity and their successors and assigns, as applicable, as issuer of the Credit Facility for the Bonds or any portion of the Bonds selected by any Executive Officer pursuant to Section 9.

"Escrow Deposit Agreement" means the Escrow Deposit Agreement, between the City and the Trustee, as Escrow Trustee, providing for the refunding of the 2008 Bonds.

"Escrow Trustee" means The Bank of New York Mellon Trust Company, N.A., as Trustee under the Trust Indenture, or if The Bank of New York Mellon

Trust Company, N.A. is unable or unwilling to serve, the corporate trustee approved as Escrow Trustee in accordance with Section 9.

"Executive Officer" means the President (Chairman) of the Board, the Vice President (Vice Chairman) of the Board, the President of the Utility, any Vice President of the Utility, the Chief Financial Officer of the Utility or the Director of Treasury of the Utility.

"Gas Utility Distribution System" means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by the City in trust or otherwise and used directly to provide gas utility service, the rates and charges for which are subject to regulation by the Indiana Utility Regulatory Commission ("IURC") or, in the absence of IURC regulation, under rates and charges established by the Board pursuant to Indiana Code 8-1.5-3-8 or any successor provision of law. None of the assets or properties of the Other Systems or Assets shall be considered part of the Gas Utility Distribution System.

"Liquidity Facility" means a line of credit, irrevocable letter of credit, bond purchase agreement or other similar mechanism or agreement issued by a Liquidity Provider, as security for the purchase of the Bonds in a remarketing of the Bonds or any portion of the Bonds, which Liquidity Facility may be secured or obtained by any Executive Officer.

"Liquidity Facility Agreement" means a reimbursement agreement or a similar agreement, between the City and a Liquidity Provider, in connection with the provision of any Liquidity Facility.

"Liquidity Provider" means a financial institution, insurer or other similar entity and their successors and assigns, as applicable, as issuer of the Liquidity Facility for the Bonds or any portion of the Bonds selected by any Executive Officer pursuant to Section 9.

"Official Statement" means the Official Statement of the City for the offering of the Bonds.

"Other Systems or Assets" means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by the City in trust or otherwise and used to provide: (1) steam utility and chilled water and related services and products under the trade name of Citizens Thermal; (2) water and related services and products under the trade name of Citizens Water; (3) the ownership interests of the City in Citizens Resources, Inc., including ownership of the water and wastewater assets serving the City of Westfield and its affiliates and in the now discontinued Manufacturing Division; and (4) wastewater and related services and products held by CWA Authority, Inc. under the trade name of Citizens Wastewater.

"Put" means the right or the obligation of the holders of the Bonds to put or tender their Bonds to the City, the Remarketing Agent or the Liquidity Provider on a Put Date during a Term Rate Period under the Supplemental Trust Indenture.

"Put Date" means the selected by an Executive Officer contemporaneous with the issuance of the 2016 Bonds or a later Put Date , on which the holders of the Bonds may be able to or shall be obligated to put or tender the Bonds to the City, the Remarketing Agent or the Liquidity Provider.

"Remarketing Agent" means the broker-dealer approved by any Executive Officer in accordance with Section 9 contemporaneous with a Put Date.

"Remarketing Agreement" means the Remarketing Agreement, between the City and Remarketing Agent for the Bonds or any portion thereof in a form approved by any Executive Officer.

"Series 2008 Bonds", "2008 Bonds" or "2008B Bonds" means the City of Indianapolis, Indiana Gas Utility Distribution System Second Lien Revenue Refunding Bonds, Series 2008B.

"Series 2016 Bonds", "2016 Bonds" or "2016A Bonds" means the City of Indianapolis, Indiana Gas Utility Distribution System Second Lien Revenue Refunding Bonds, Series 2016A (with such appropriate alternative or further series or sub-series designation as determined by any Executive Officer), issued pursuant to Section 4 of this Resolution.

"Supplemental Trust Indenture" means the Series 2016 Gas Utility Distribution System Supplemental Trust Indenture, between the City and the Trustee, providing for the issuance of the Series 2016 Bonds.

"Term Rate Period" means the period during which the Series 2016 Bonds are subject to a Put at the conclusion thereof.

"Transactions" means the transactions contemplated by this Resolution and the Bond Documents.

"Trust Indenture" means the Second Lien Gas Utility Distribution System Trust Indenture, dated as of May 1, 2001, between the City and the Trustee, as supplemented and amended from time to time, including by the Supplemental Trust Indenture and any amendment thereto deemed necessary by any Executive Officer.

"Trustee" means The Bank of New York Mellon Trust Company, N.A., as trustee under the Trust Indenture.

"Underwriter" means Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as representative for any other underwriters of the Bonds named pursuant to Section 10 of this Resolution.

"Utility" means Citizens Gas, the trade name under which the Board operates the Gas Utility Distribution System.

Section 3. Limited Obligations. The Bonds are limited obligations of the City and are payable as provided in the Trust Indenture from the Pledged Funds (as defined in the Trust Indenture) of the Gas Utility Distribution System. The Bonds do not now, and shall never, constitute a charge against the general credit of the City of Indianapolis, its utility district as a special taxing district or the State of Indiana or any other political subdivision thereof.

Section 4. Bonds

(a) Series 2016 Bonds. The Board authorizes any Executive Officer to approve the issuance, execution, sale and delivery of the 2016 Bonds, subject to the further provisions of this Section 4 and pursuant to the Act, by and on behalf of the City of Indianapolis. The City may issue the 2016 Bonds in an aggregate principal amount of not to exceed sixty-million dollars (\$60,000,000) and sufficient to (i) refund and redeem all the 2008B Bonds, the interest obligations and any premium obligations with respect thereto to and including the redemption date selected by any Executive Officer, (ii) pay costs, expenses and fees in connection with (1) such refunding and payment and (2) the authorization, issuance, sale and delivery of the 2016 Bonds (and the security therefor, including any Liquidity Facility, Credit Facility or debt service reserve surety), and (iv) fund a debt service reserve for the 2016 Bonds, if required. The 2016A Bonds shall bear interest at an initial rate or at one or more initial rates not to exceed eight percent (8%) *per annum*, calculated and determined as provided in the Trust Indenture. Any Executive Officer is authorized to determine whether the 2016 Bonds will bear interest fixed to the maturity dates of the 2013 Bonds or whether the 2013 Bonds will be sold with a Put, in which case such Executive Officer shall be authorized to determine the Put Date with respect to such Put. The 2016A Bonds may be issued as serial bonds and/or term bonds, maturing not later than December 31, 2055. The 2016 Bonds may be issued in one or more series or sub-series as determined by any Executive Officer. The 2016 Bonds may be subject to mandatory sinking fund redemption and/or redemption at the option of the Board prior to their stated maturity, as provided in the Trust Indenture and as determined by an Executive Officer. Any Executive Officer is authorized to determine, based upon assistance from the Underwriter, whether any series or sub-series of the Series 2016 Bonds will bear interest fixed to the maturity dates of such series or sub-series of the Series 2016 Bonds or whether any series or sub-series of the Series 2016 Bonds will be sold with a Put, in which case such Executive Officer shall be authorized to determine the Put Date with respect to such Put and whether such series or sub-series shall be issued pursuant to Indiana

Code 8-1-11.1-24. Any subsequent Put Rate during a delayed remarketing period shall be at a rate as determined by an Executive Officer and as provided in the Supplemental Trust Indenture. The 2016 Bonds shall be offered by the Official Statement for the 2016 Bonds and sold to the Underwriter pursuant to the Contract of Purchase for the 2016 Bonds at an underwriter's discount of not to exceed one percent (1%) of the aggregate principal amount of the 2016 Bonds (excluding original issue discount or premium). The 2016 Bonds shall be secured by the Trust Indenture. With the assistance of the Underwriter, any Executive Officer is authorized to determine whether to secure or obtain a Credit Facility or Liquidity Facility in connection with the sale of the 2016 Bonds, select the Credit Facility Provider or Liquidity Facility Provider and approve the forms of the Credit Facility Agreement and the Liquidity Facility Agreement. Proceeds of the sale of the 2016 Bonds shall be applied in accordance with the Trust Indenture.

Section 5. Documents, Execution, Delivery. The Bond Documents are approved by and on behalf of the City of Indianapolis substantially in the forms of the bond documents prepared for the Series 2013 Bonds with such changes as are necessary to conform such documents for the issuance of the Series 2016 Bonds. Any Executive Officer and the Secretary or the Assistant Secretary of the Board are authorized and directed to complete, execute and deliver the Bond Documents, by and on behalf of the Board, as contemplated by this Resolution and the Act. Approval of any such changes and completion of the documents shall be evidenced by their execution and delivery. The Mayor, City Controller and City Clerk of the City of Indianapolis are authorized to execute and deliver the Bonds and any other document, agreement or certificate deemed necessary by any Executive Officer or bond counsel to properly issue the Bonds.

Section 6. Official Statement. (a) The Board approves the preliminary Official Statement, substantially in the form of the Official Statement prepared for the Series 2013 Bonds with such changes as are necessary to conform such Official Statement for the issuance of the Series 2016 Bonds, and authorizes and directs any Executive Officer to publish and distribute by and on behalf of the City of Indianapolis the preliminary Official Statement to potential purchasers of the Bonds; *provided, however,* that:

(i) any Executive Officer is authorized and directed to deem by and on behalf of the City of Indianapolis the preliminary Official Statement final for purposes of Rule 15c2-12 of the Securities and Exchange Commission (except as permitted by such rule);

(ii) any Executive Officer is authorized and directed by and on behalf of the City of Indianapolis to (i) complete the Official Statement, and (ii) make such changes in the Official Statement in preparing the final Official Statement for the Bonds as may be appropriate, desirable or necessary, the approval of which shall be evidenced by its execution and delivery; and

(iii) any Executive Officer is authorized and directed to distribute by and on behalf of the City of Indianapolis the final Official Statement, including any amendments or supplements, to the purchasers of the Bonds, as applicable.

(b) Notwithstanding anything in this Resolution to the contrary, only one of the Executive Officers is required to execute and deliver the final Official Statement, and each is authorized and directed to do so by and on behalf of the City of Indianapolis.

Section 7. Further Acts. Any Executive Officer is authorized and directed by and on behalf of the City of Indianapolis to do any and all further acts by and on behalf of the City of Indianapolis, to execute any and all further agreements, certificates, contracts, documents or papers and to publish any such notice or notices appropriate, desirable or necessary in connection with the Transactions, including the execution and delivery of the Bond Documents. Any Executive Officer is authorized and directed to make, for and on behalf of the Board, each of the findings required to be made by the Trust Indenture in advance of, or in connection with, the issuance and sale of the Bonds.

Section 8. Put Date Actions. Contemporaneous with any Put Date during a Term Rate Period, any Executive Officer is authorized to determine whether the 2016 Bonds will bear interest after the Put Date at a fixed rate to the maturities of the Bonds or whether the Bonds shall bear interest at any other permitted rate set forth in the Supplemental Trust Indenture. In addition, that Executive Officer is authorized to secure and obtain a Credit Facility or Liquidity Facility for the 2016 Bonds effective from and after the Put Date and is authorized to make such determinations and to execute such documents or agreements as are required in connection with the remarketing of the Bonds on the Put Date, including the selection of a Remarketing Agent.

Section 9. Approvals. (a) Any Executive Officer is authorized and directed by and on behalf of the City of Indianapolis to:

(i) approve the commitment for a Liquidity Facility and Liquidity Facility Agreement with a Liquidity Provider, which Liquidity Facility Agreement or the terms and conditions thereof, may be incorporated into the Trust Indenture or any other supplement or amendment to the Trust Indenture (which such Executive Officer is authorized and directed to execute and deliver), as appropriate. Any Executive Officer is authorized to apply the proceeds of the Bonds or any income and revenues of the Gas Utility Distribution System as contemplated by the Trust Indenture, to payments due in connection with the Liquidity Facility.

(ii) approve the commitment for a Credit Facility and Credit Facility Agreement with a Credit Provider, which Credit Facility Agreement or the terms and conditions thereof, may be incorporated into the Trust Indenture or any other

supplement or amendment to the Trust Indenture (which such Executive Officer is authorized and directed to execute and deliver), as appropriate. Any Executive Officer is authorized to apply the proceeds of the Bonds or any income and revenues of the Gas Utility Distribution System as contemplated by the Trust Indenture, to payments due in connection with the Credit Facility.

(iii) select and approve the Remarketing Agent or a verification agent or firm for purposes of the Escrow Deposit Agreement, as contemplated by, and subject to, this Resolution and the applicable Bond Documents.

(b) All approvals and selections authorized and directed by this Section 9 shall be evidenced by the execution and delivery of the applicable Bond Documents.

Section 10. Appointments, Underwriters. (a) In connection with the Transactions, the Board ratifies and confirms the appointment or retention by and on behalf of the City of Ice Miller LLP, as bond counsel and special counsel and Merrill Lynch, Pierce, Fenner & Smith, Incorporated, as representative for the underwriters of the Bonds. Any Executive Officer is authorized and directed by and on behalf of the City to apply proceeds of the sale of the Bonds or any income and revenues of the Gas Utility Distribution System to their compensation, disbursements and expenses.

(b) Any Executive Officer is authorized and directed by and on behalf of the City to name additional underwriters of the Bonds, if appointment of additional underwriters is desirable in connection with the offering of the Bonds, and insert the names of such underwriters in the Contract of Purchase and the Official Statement.

Section 11. Debt Service Reserve. If a debt service reserve is required for the Bonds pursuant to the provisions of the Trust Indenture, such reserve may be funded from available moneys of the City, proceeds of the Bonds, or in lieu of using such proceeds, any Executive Officer is authorized and directed by and on behalf of the City to enter into a surety or guaranty agreement providing for the funding of such a reserve or reserves with a document or instrument such as a surety bond or letter of credit and any Executive Officer is further authorized and directed to use proceeds of the sale of the Bonds or the income and revenues of the Gas Utility Distribution System as contemplated in the Trust Indenture to pay for such document or instrument, including costs and expenses in connection therewith.

Section 12. Findings. The findings made by the Bond Documents are incorporated into this Resolution by this reference, and are made by the Board for and on behalf of the City of Indianapolis as if set forth in this Section 12.

Section 13. Severability. If any provision (or any portion thereof) of this Resolution is found by a court of competent jurisdiction to be prohibited or unenforceable, it shall be ineffective only to the extent of such prohibition or unenforceability, and such prohibition or unenforceability shall not invalidate any other provision (or any portion thereof) of this Resolution, all of which remaining provisions (or any portions thereof) shall be liberally construed to effect the purposes of this Resolution and the Transactions.


Section 14. Effective Date. This Resolution will be effective immediately upon its passage by the Board.

Following the committee reports, the Chair invited Mr. Brehm to review quarterly financial highlights for Citizens Energy Group and CWA Authority, Inc. Following Mr. Brehm's report, Mr. Harrison provided the report of the CEO.

Thereafter, Mr. Brown presented the results of the Citizens 2015 Corporate Accountability Survey. Then, the Board received an overview from Mr. Jacob about a new quality program. He shared that Citizens Lean and Six Sigma ("CLASS") had been adopted by the organization noting that the CLASS system shares the same goal as Citizens' prior quality program: work to eliminate waste and create more efficient systems. Following the reports from management, the Chair thanked Mr. Brown and Mr. Jacob for their respective presentations.

The Board then reviewed the proposed revisions to the Operating Guidelines for the Board of Directors for Citizens Energy Group. Following discussion, and upon a motion duly made and seconded, the Board unanimously adopted the revisions to the Operating Guidelines.

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



Daniel C. Appel, Chair



Jennett M. Hill, Assistant Secretary