

MINUTES OF THE JOINT MEETING  
OF THE BOARDS OF DIRECTORS OF  
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.  
HELD AUGUST 17, 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, August 17, 2016, at the Langsdale offices of Citizens Energy Group ("Citizens"), 2150 Dr. Martin Luther King, Jr. Street, Indianapolis, Indiana.

All Board members were present: Daniel C. Appel (Chair), Moira M. Carlstedt , Jeffrey E. Good, Anita Harden, Christia Hicks, J.A. Lacy, Anne Nobles, Phillip A. Terry, and Joseph E. Whitsett. Members of the Board of Trustees who also were present included: Daniel F. Evans, Jr.; Dennis C. Bland; and Brian Williams.

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 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; Director of Treasury, Sara Mamuska-Morris; and Director of Government and External Affairs, Joe Sutherland.

Others present were: Michael B. Cracraft of Ice Miller LLP and Tyler Kalachnik with Ice Miller.

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 May 18, 2016.

The Chair certified that the subject matter of the discussion during the Executive Session of the Board held on August 17, 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.

The Chair Appel then addressed management's request to approve the energy efficiency filing set forth in the Gas Cost Adjustment (GCA 131) and Fuel Cost Adjustment (FAC 42).

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.

FURTHER RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that FAC 42, attached as Exhibit "C", is hereby ratified, confirmed, and approved.

Next, the Chair invited Mr. Good to provide a report from the Audit and Risk Committee (the "Audit Committee"). Mr. Good acknowledged that the Audit Committee was satisfied with the Preliminary Fiscal Year 2016 Second Quarter (Q3) 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 Q3 Financial Statements for Citizens

Energy Group and CWA Authority. He also reported that the Audit Committee considered the Deloitte and Touche LLP (“Deloitte”) proposal of its 2017 Audit Engagement Letter and recommended approval of the same to the Board. Thereafter, and upon a motion duly made and seconded, the Board unanimously approved Deloitte’s 2017 Audit Engagement Letter for Citizens Energy Group and CWA Authority. Next, Mr. Good noted that Citizens Energy Group was recently recognized for employing best practices in their accounting and finance operations by the Institute of Management Accountants.

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 water utility (doing business as Citizens Water) for consideration and approval. He reported that authorizing management to pursue this opportunity would have a favorable impact to customers with potential savings of \$38 million over the life of the bonds. 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, Citizens has previously issued several series of the City of Indianapolis, Indiana Water System First Lien Revenue Bonds, Series 2011 (the "2011 Bonds") pursuant to the First Lien Master Trust Indenture (the "First Lien Master Indenture") dated as of July 1, 2011, between Citizens and U.S. Bank National Association (the "Trustee") and the 2011 Bonds are currently outstanding; and

WHEREAS, Citizens holds and operates the Water System (the "Water System") for the exclusive and perpetual benefit of the inhabitants of the City of Indianapolis and surrounding areas in furtherance of a public charitable trust; and

WHEREAS, under current market conditions a refunding of all or a portion of the 2011 Bonds may produce a savings to Citizens, and to the extent there are sufficiently material savings at the time of issuance of the Series 2016 First Lien Bonds (as defined below), as determined by an Executive Officer (as defined below), Citizens may find it beneficial and convenient to refund all or a portion of the 2011 Bonds; and

WHEREAS, Citizens may find it beneficial and convenient to issue its Series 2016B First Lien Bonds to the Indiana Finance Authority (the "IFA") or The Indianapolis Local Public Improvement Bond Bank and such Series 2016B First Lien Bonds would in such instance evidence a loan of proceeds (the "Loan") from the IFA or the Bond Bank, as applicable, to Citizens; and

WHEREAS, if Citizens issues its Series 2016B First Lien Bonds to the IFA, the IFA has indicated it would issue one or more series of its First Lien Water Utility Revenue Bonds, Series 2016B (Citizens Energy Group Refunding) (the "IFA Water Bonds") in order to provide the proceeds of the Loan to Citizens; and

WHEREAS, if Citizens issues its Series 2016B First Lien Bonds to the IFA, Citizens will enter into a loan agreement (the "Loan Agreement") with the IFA in order to evidence the obligations of Citizens to repay the Loan; and

WHEREAS, if Citizens issues its Series 2016B First Lien Bonds to the Bond Bank, the Bond Bank has indicated it would issue one or more series of its Bond Bank Bonds, Series 2016 (Citizens Energy Group Project) (the "Bond Bank Bonds" and, with the IFA Water Bonds, the "Conduit Bonds") in order to provide proceeds of the Loan to Citizens; and

WHEREAS, if Citizens issues its Series 2016B First Lien Bonds to the Bond Bank, Citizens will enter into a qualified entity purchase agreement (the "QE Purchase Agreement") with the Bond Bank in order to evidence the obligations of Citizens to repay the Loan; and; and

WHEREAS, Citizens desires to issue its City of Indianapolis, Indiana Water System First Lien Revenue Refunding Bonds, Series 2016B (the "Series 2016B First Lien Bonds") in one or more series or sub-series and on one or more dates pursuant to this Resolution and the First Lien Master Trust Indenture in order to accomplish a potential refunding of all or a portion of the 2011 Bonds, fund a debt service reserve, if necessary and pay for related costs in connection therewith (collectively, the "Refunding"); and

WHEREAS, Citizens desires to authorize and delegate the powers and approvals specified in this Resolution; and

WHEREAS, all bonds, issued in accordance with and pursuant to this Resolution shall be limited obligations of Citizens, payable solely as provided in the First Lien Master Indenture and in the bonds, as applicable;

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. RECITALS. The foregoing recitals are incorporated herein by reference.

SECTION 2. DEFINITIONS. Terms used in this Resolution are used with the respective meanings ascribed to such terms in the following paragraphs and in the recitals above (unless otherwise provided):

"Acts" means Indiana Code 8-1-11.1, et. seq., Indiana Code 5-1-5 et. seq., Indiana Code 5-1-14 et. seq., Indiana Code 4-4-10.9 and 11, et. seq. and Indiana Cod 5-1.4 et. seq., each as amended from time to time.

"Bond Documents" means (a) the Series 2016B First Lien Bonds, (b) the Series 2016B First Lien Supplemental Indenture, (c) the Loan Agreement, (d) the Continuing Disclosure Undertaking Agreement, (d) the Escrow Agreement and (f) the Purchase Contract.

"Continuing Disclosure Undertaking Agreement" means the Continuing Disclosure Undertaking Agreement or Continuing Disclosure Undertaking Agreements between Citizens and U.S. Bank National Association (or another counterparty approved by an Executive Officer) in connection with Citizens' continuing disclosure obligations with respect to the Series 2016B First Lien Bonds.

"Credit Facility" means an irrevocable letter of credit, standby bond purchase agreement, bond insurance policy, surety bond or other credit support mechanism or agreement issued by a Credit Provider, as security for the payment of the Series 2016B First Lien Bonds or any portion of the Series 2016B First Lien Bonds, which Credit Facility may be secured or obtained by any Executive Officer at the time of issuance of the Series 2016B First Lien Bonds.

"Credit Facility Agreement" means a reimbursement agreement or a similar agreement, between Citizens 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 Series 2016B First Lien Bonds or any portion of the Series 2016B First Lien Bonds selected by any Executive Officer pursuant to Section 10.

"Escrow Agreement" means the Escrow Deposit Agreement or Escrow Deposit Agreements between Citizens and U.S. Bank National Association providing for the defeasance of any of the 2011 Bonds determined to be refunded.

"Executive Officer" means the President of the Board, the Vice President of the Board, the President of Citizens, any Vice President of Citizens, the Chief Financial Officer of Citizens or the Treasurer of Citizens.

"Official Statement" means (i) if an Executive Officer determines to issue the Series 2016B First Lien Bonds to the IFA, the Official Statement or Official Statements of the IFA and Citizens for the IFA Water Bonds, (ii) if an Executive Officer determines to issue the Series 2016B First Lien Bonds to the Bond Bank, the Official Statement or Official Statements of the Bond Bank for the Bond Bank Bonds or (iii) if an Executive Officer determines to issue the Series 2016B First Lien Bonds to neither the IFA or the Bond Bank, the Official Statement or Official Statements of Citizens in connection with the offering of the Series 2016B First Lien Bonds.

"Purchase Contract" means the Bond Purchase Agreement or Bond Purchase Agreements among Citizens, the IFA or the Bond Bank (if and as applicable) and Morgan Stanley & Co. LLC.

"Put" means the right or the obligation of the holders of the Series 2016B First Lien Bonds to put or tender their Series 2016B First Lien Bonds to Citizens, a Remarketing Agent or a Credit Provider on a Put Date during a term rate period under the Series 2016B Supplemental Indenture.

"Put Date" means the date selected by an Executive Officer before or contemporaneous with the issuance of Series 2016B First Lien Bonds, on which the holders of such Series 2016B First Lien Bonds may be able to or shall be obligated to put or tender such Series 2016B First Lien Bonds to Citizens, a Remarketing Agent or a Credit Provider.

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

"Remarketing Agreement" means the Remarketing Agreement or Remarketing Agreements, between Citizens and a Remarketing Agent for the Series 2016B First Lien Bonds or any portion thereof in a form approved by any Executive Officer.

"Series 2016B First Lien Supplemental Indenture" means the Series 2016B First Lien Supplemental Trust Indenture or Supplemental Trust Indentures providing for the issuance of the Series 2016B First Lien Bonds between Citizens and the Trustee.

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

SECTION 3. LIMITED OBLIGATIONS. The Series 2016B First Lien Bonds are limited obligations of Citizens and are payable as provided therein and in the First Lien Master Indenture from Pledged Funds and Net Revenues of the Water System. The Series 2016B First Lien Bonds do not now, and shall never, constitute a charge against the general credit of the City of Indianapolis, Indiana, the Bond Bank, the IFA, the State of Indiana or any other political subdivision thereof.

SECTION 4. SERIES 2016B FIRST LIEN BONDS. The Board authorizes any Executive Officer to approve the issuance, execution, sale and delivery of the Series 2016B First Lien Bonds, subject to the further provisions of this Section 4 and pursuant to the Acts, by and on behalf of Citizens. Citizens shall issue the Series 2016B First Lien Bonds in an aggregate principal amount not to exceed \$300,000,000 and sufficient to: (i) accomplish the full or partial refunding of those Series 2011 Bonds whose refunding is determined to be beneficial and convenient by an Executive Officer; (ii) fund a debt service reserve for the Series 2016B First Lien Bonds, if necessary; and (iii) pay costs, expenses and fees in connection with (1) such Refunding and (2) the authorization, issuance, sale and delivery of the Series 2016B First Lien Bonds and the IFA Water Bonds, if applicable (and the security therefor, including any Credit Facility). The Series 2016B First Lien Bonds shall bear interest at an initial rate or at one or more interest rates not to exceed eight percent (8%) per annum, calculated as provided in the First Lien Master Indenture. The Series 2016B First Lien Bonds shall be issued as serial bonds and/or term bonds, maturing not later than December 31, 2056. The Series 2016B First Lien Bonds shall be subject to redemption in the manner determined by an Executive Officer. Any Executive Officer is authorized to determine whether the Series 2016B First Lien Bonds (or any portion thereof) will bear interest fixed to the maturity dates of such Series 2016B First Lien Bonds or whether such Series 2016B First Lien Bonds (or any portion thereof) 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. As determined by an Executive Officer, (a) the Series 2016B First Lien Bonds may be issued to the IFA in order to evidence the Loan made therefor as described in the Loan Agreement, (b) the Series 2016B First Lien Bonds may be issued to the Bond Bank in order to evidence the Loan made therefor as described in the QE Purchase Agreement, or (c) the Series 2016B First Lien Bonds may be sold pursuant to the provisions of IC 5-1-11, subject to the applicable provisions thereof, but in any case shall be sold with an underwriter's discount not to exceed one percent (1%) of the aggregate principal amount of the Series 2016B First Lien Bonds (excluding original issue discount or premium). The Series 2016B First Lien Bonds shall be secured by the First Lien Master Indenture. Any Executive Officer is authorized to determine whether to secure or obtain a Credit Facility in connection with the sale of the Series 2016B First Lien Bonds, select the Credit

Facility Provider and approve the form of the Credit Facility Agreement. Notwithstanding anything in this Resolution to the contrary, Citizens may issue the Series 2016B First Lien Bonds in more than one series or sub-series. Any Executive Director may determine to issue any series or subseries of Series 2016B First Lien Bonds as second lien bonds.

SECTION 5. DOCUMENTS, EXECUTION, DELIVERY. The Bond Documents substantially in the form used for the issuance of Citizens' City of Indianapolis, Indiana Water System Second Lien Revenue Bonds, Series 2014B are approved by and on behalf of Citizens at this meeting,

with such changes as an Executive Officer determines necessary to accommodate the issuance of the Series 2016B First Lien Bonds, the IFA Water Bonds and/or the Bond Bank Bonds, as may be applicable, and as may be approved by and on behalf of the Board by an Executive Officer. No further approval of the Board is required with respect to the Bond Documents. 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 Acts. 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, Indiana are authorized to execute and deliver the Series 2016B First Lien Bonds and any other document, agreement or certificate deemed necessary by any Executive Officer or bond counsel to properly issue the Series 2016B First Lien Bonds.

SECTION 6. OFFICIAL STATEMENT. (a) The Board approves the preliminary Official Statement in the form used for the issuance of Citizens' City of Indianapolis, Indiana Water System Second Lien Revenue Bonds, Series 2014B at this meeting, with such changes as necessary to accommodate the issuance of the Series 2016B First Lien Bonds, the IFA Water Bonds and/or the Bond Bank Bonds, as may be applicable, and as may be approved by and on behalf of the Board by an Executive Officer, and authorizes and directs any Executive Officer to publish and distribute by and on behalf of Citizens, and in cooperation with the IFA or the Bond Bank, as and if applicable, the preliminary Official Statement to potential purchasers of the Series 2016B First Lien Bonds, the IFA Water Bonds or the Bond Bank Bonds, as and if applicable, provided, however, that:

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

(ii) in cooperation with the IFA or the Bond Bank, as and if applicable, any Executive Officer is authorized and directed by and on behalf of Citizens to (a) complete the Official Statement, and (b) make such changes in



the Official Statement in preparing the final Official Statement for the Series 2016B First Lien Bonds, the IFA Water Bonds or the Bond Bank Bonds, as applicable, 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 Citizens, the final Official Statement, including any amendments or supplements, to the purchasers of the Series 2016B First Lien Bonds or IFA Water 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 Citizens.

SECTION 7. FURTHER ACTS. Any Executive Officer is authorized and directed by and on behalf of Citizens to do any and all further acts by and on behalf of Citizens, 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 and any agreements which may be required by the IFA or the Bond Bank in connection with the Loan, if applicable.

SECTION 8. CREDIT FACILITY. Any Executive Officer is authorized to secure and obtain a Credit Facility for the Series 2016B First Lien Bonds (or any portion thereof) and is authorized to make such determinations and to execute such documents or agreements as are required in connection therewith.

SECTION 9. APPROVALS. (a) Any Executive Officer is authorized and directed by and on behalf of Citizens to:

(i) approve the commitment for a Credit Facility and Credit Facility Agreement with a Credit Provider. Any Executive Officer is authorized to apply the proceeds of the Series 2016B First Lien Bonds, Pledged Funds or any Net Revenues of the Water System as contemplated by the First Lien Master Indenture to payments due in connection with any such Credit Facility;

(ii) select and approve the Remarketing Agent with respect to a Put Date and select and approve 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;

(iii) select and approve special counsel of Citizens in connection with the Transactions; and

(iv) select and approve the counterparty to the Continuing Disclosure Agreement.

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

SECTION 10. In connection with the Transactions, the Board ratifies and confirms the appointment or retention by and on behalf of Citizens of Ice Miller LLP, as bond counsel and special counsel, and Morgan Stanley & Co. LLC, as underwriter of the Series 2016B First Lien Bonds. Any Executive Officer is authorized and directed by and on behalf of Citizens to apply proceeds of the sale of the Series 2016B First Lien Bonds to their compensation, disbursements and expenses.

SECTION 11. DEBT SERVICE RESERVE. If a debt service reserve is deemed required or advantageous in the judgment of an Executive Officer for the Series 2016B First Lien Bonds pursuant to the provisions of the First Lien Master Indenture, such reserve may be funded from proceeds transferred from the refunded 2011 Bonds, proceeds of the Series 2016B First Lien Bonds, or in lieu of or in combination with using such proceeds, any Executive Officer is authorized and directed by and on behalf of Citizens to enter into a surety or guaranty agreement providing for the funding of such a reserve 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 Series 2016B First Lien Bonds or the Pledged Funds and Net Revenues of the Water System as contemplated in the First Lien Master 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, with such changes as are necessary to accommodate the issuance of the Series 2016B First Lien Bonds, are incorporated into this Resolution by this reference, and are made by the Board for and on behalf of Citizens as if set forth in this Section 12.

SECTION 13. DELEGATIONS; AUTHORIZATIONS. The delegations made by the Board to the Executive Officers by this Resolution and the authorizations approved herein shall be effective until September 30, 2017, after which date further approval of the Board will be required in connection with the issuance of the Series 2016B First Lien Bonds.

SECTION 14. 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 15. EFFECTIVE DATE. This Resolution will be effective immediately upon its passage by the Board.

The Chair then invited Ms. Carlstedt to provide a report of on behalf of the Wastewater Resources Executive Committee (the “Wastewater Committee”). She reported that the Wastewater Committee met on June 15, 2016 and reviewed the financial highlights for the wastewater utility system with Ms. Karner. The Wastewater Committee received an overview of wastewater capital investment from Mr. Jacob, noting that J.F. Shea and Kiewit had been awarded the contract to complete the remaining DigIndy Tunnel System over the next 9 years. The Wastewater Committee also was informed by Mr. Willman that management had notified Suez (formerly United Water Services) that Citizens did not intend to renew or extend the current operations agreement beyond the January 1, 2017 contract expiration date. As a result, Citizens will begin to operate and maintain the wastewater system at that time.

Following Ms. Carlstedt’s report, Ms. Nobles provided a report of the Water Resources Executive Committee (the “Water Committee”). She reported that the Water Committee also met on June 15, 2016 and reviewed the financial highlights for the water utility system with Mr. Brehm, who noted favorable changes to Citizens Water’s financial profile within the bond market. The Water Committee received an overview of the utility’s capital program from Mr. Willman.

Following the committee reports, Mr. Willman reported on matters pertaining to the water utility, specifically water supply and planning. He then requested authorization for management to proceed with the acquisition of Citizens Reservoir. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the following:

WHEREAS, on March 12, 2015, the Department of Public Utilities for the City of Indianapolis, acting by and through the Board of Directors for Utilities, as Trustee of a public charitable trust for a water system, d/b/a Citizens Water (the "Utility") entered into that certain Purchase Agreement for Citizens Deep Water Reservoir, as has been amended from time to time ("Purchase Agreement"), pursuant to which IMI agreed to convey an 88.27 acre tract of real property as depicted and described on Exhibit A attached hereto, commonly known as Basin C, located in Hamilton County, Indiana ("Property");

WHEREAS, the Utility intends to use the Property, which is adjacent to Geist Reservoir, for additional water storage purposes;

WHEREAS, the Utility has the right, in its sole discretion, to terminate the Purchase Agreement up until the date of closing, which is currently scheduled for October 1, 2016, for any reason whatsoever;

WHEREAS, the Utility has conducted a feasibility study and determined that the Property is suitable for its intended purposes; and

WHEREAS, the Utility plans to complete its acquisition of the Property in accordance with the Purchase Agreement and subject to the Board's approval.

NOW, THEREFORE, BE IT RESOLVED that:

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

2. The Board finds that it will serve the best interests of the Utility and the public to authorize the acquisition of the Property as depicted and described on Exhibit "A" from IMI for and in consideration of the sum of Thirteen Million Seven Hundred Thousand Dollars (13,700,000) and in accordance with the terms of the Purchase Agreement.

3. Such acquisition shall become effective upon the parties' successful closing on the Property as provided in the Purchase Agreement.

4. The Board authorizes any Executive Officer, by and on behalf of the Board, to do and perform all actions and to execute all such documents, instruments, certificates and papers which are necessary, desirable or appropriate to carry out the transactions contemplated by these resolutions, in such forms as the Executive Officer shall determine to be proper.

Following Mr. Willman's report, Ms. Prentice discussed regulatory activities for consideration by the Board. Ms. Prentice requested that the Board of Directors of Citizens

Energy Group consider and approve the revised proposed water rate and charges and terms and conditions after the debt service true-up for submission to the Indiana Regulatory Commission (the "Commission"). Following discussion, and upon a motion duly made and seconded, the Board of Directors for Citizens Energy Group unanimously approved the following:

WHEREAS, on June 17, 2015 the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as trustee of a public charitable trust, d/b/a Citizens Energy Group (the "Board") authorized the officers of the water utility owned and operated by the Board d/b/a Citizens Water (the "Utility") to execute and file a Petition with the Commission requesting that the Commission approve an increase in the operating revenues produced by the Utility's rates and charges for water service and other relief discussed at the Board meeting; and

WHEREAS, on June 17, 2015 the Board adopted a Resolution approving a proposed revised schedule of graduating rates and charges and terms and conditions for service, subject to further approval by the Commission under I.C. 8-1.5-3-8 and I.C. 8-1-11.1-3(c)(9); and

WHEREAS, pursuant to the above Resolution, the Utility filed a Verified Petition with the Commission on June 26, 2015 initiating Cause No. 44644; and

WHEREAS, on April 20, 2016 the Commission entered an Order in Cause No. 44644: (1) authorizing the Utility to increase its rates and charges for water service to produce total annual revenues of \$200,985,502, subject to a potential true-up for debt-service following the Utility's proposed debt issuances ("Debt Service True Up"); and (2) approving certain changes to the Utility's terms and conditions for service; and

WHEREAS, on June 23, 2016, the Utility made the debt issuances that were proposed in Cause No. 44644; and

WHEREAS, on July 25, 2016, the Utility made a Debt Service True Up compliance filing with the Commission, which included revised rates and charges consistent with the Utility's actual debt service costs ("Revised Rates"), and such Revised Rates were approved by the Commission on July 27, 2016; and

WHEREAS, rates and charges established under I.C. 8-1.5-3-8(f) are subject to the approval of: (1) the municipal legislative body by ordinance; and (2) the commission; and

WHEREAS, pursuant to I.C. 8-1-11.1-3.1 the Board operates as the Utility's municipal legislative body for the purposes of I.C. 8-1.5-3-8(f); and

WHEREAS, pursuant to I.C. 8-1-11.1-3(c)(9) the Board has further authority to prescribe rules for service and rates for service subject to approval by the Commission.

NOW, THEREFORE, BE IT RESOLVED, that pursuant to I.C. 8-1.5-3-8, I.C. 8-1-11.1-3.1 and I.C. 8-1-11.1-3(c)(9), the Revised Rates attached hereto and incorporated herein by reference as Attachment "A" are hereby ratified, confirmed and approved with an effective date of July 27, 2016.

Then, the Chair invited Mr. Sutherland to provide an update concerning the proposed listing by the U.S. Environmental Protection Agency (EPA) of a Superfund site in the Indianapolis area. He outlined a proposed alternative plan presented to the EPA and supported by IDEM, state and local governmental units, as well as local community and neighborhood organizations. Mr. Sutherland reiterated that Citizens' drinking water is safe and meets all Safe Water Drinking Act standards.

Next, Mr. Brehm reviewed quarterly financial highlights for Citizens Energy Group and CWA Authority. Following Mr. Brehm's report, Mr. Harrison provided the report of the CEO. He also discussed the Suez transition and emphasized that the decision for Citizens to insource operations of the wastewater utility system was not a reflection of Suez's performance, but Citizens pursuit of efficiencies.


Following his report, Mr. Harrison introduced a presentation of Citizens' strategic planning process. Mr. Strohl reviewed Citizens' strategic roadmap. The Chair thanked management for its report.

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



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Daniel C. Appel, Chair



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Jennett M. Hill, Assistant Secretary

