

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD MAY 17, 2017**

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 8:55 a.m. EST, Wednesday, May 17, 2017, 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 J. Harden, Christia Hicks, J.A. Lacy, Anne Nobles, Phillip A. Terry, and Joseph E. Whitsett.

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 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 Brand Development, Jeff Brown; Director of Treasury, Sara Mamuska-Morris; Director of Customer Relationships, Greg Sawyers; and Director of Government and External Affairs, Joe Sutherland.

The meeting was called to order by the Chair of the Board.

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

The Board considered the minutes of its previous meeting. Upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the minutes of the joint meeting of the Boards of Directors of Citizens Energy Group and CWA Authority, Inc. held February 15, 2017.

The Chair certified that the subject matter of the discussion during the Executive Sessions of the Boards held February 15, 2017 and May 17, 2017 were solely limited to the items set forth in the Public Notices, attached as Exhibit “A” and Exhibit “B”.

The Chair then addressed management’s request to approve the energy efficiency filing set forth in Fuel Cost Adjustment (FAC 45), Rider E – Energy Efficiency Adjustment, and Gas Cost Adjustment 134 (GCA 134). 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 FAC 45, attached as Exhibit C, is hereby ratified, confirmed, and approved; and

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that Rider E – Energy Efficiency Adjustment, attached as Exhibit D, is hereby ratified, confirmed, and approved; and

FURTHER RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that GCA 134, attached as Exhibit E, 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 reported that the Audit Committee received an update pertaining to Citizens’ Enterprise Risk Management program. He noted that the Audit Committee accepted the proposed modifications to the 2017 Internal Audit Plan, including

performing an advisory audit for the industrial pretreatment program. He acknowledged that the Audit Committee was satisfied with the preliminary Fiscal Year 2017 Second Quarter (Q2) Financial Statements and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the preliminary Fiscal Year 2017 Q2 Financial Statements.

Then, Mr. Good reviewed with the Board the Audit Committee's recommendation to amend the Board's "Audit & Risk Committee Charter" and to qualify some or all of the members of the Audit & Risk Committee to serve as an "audit committee" for purposes of engaging a certified public accountant. Following discussion, and upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the following:

WHEREAS, the books, accounts, records and transactions of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as successor trustee of a public charitable trust, d/b/a Citizens Energy Group ("Citizens" or the "Board") are subject to "examination, audit and supervision by the [Indiana] state board of accounts to the same extent as the books, accounts, records and transactions of other municipal governments or officers or departments of municipal government are subject thereto" under Ind. Code § 8-1-11.1-17; and

WHEREAS, the State Board of Accounts has advised Citizens it could formally request in writing that the State Board of Accounts authorize Citizens to: (1) opt-out of examinations by the State Board of Accounts; and (2) engage a certified public accountant to conduct its examinations in accordance with Ind. Code § 5-11-1-24.4(b); and

WHEREAS, the Board has established an Audit & Risk Committee consisting of at least three (3) members of the Board who are knowledgeable in financial and auditing matters; and

WHEREAS, the Audit & Risk Committee assists the Board in assessing the integrity of Citizens' financial statements, annually selects and engages independent auditors on behalf of the Board, evaluates the performance of the independent auditors, insures the Board's compliance with legal and regulatory requirements and presents the results of the annual audit to the Board; and

WHEREAS, under Ind. Code § 5-11-1-24.4(b) an audited entity such as the Board may request in writing that the State Board of Accounts authorize it to opt-out of examinations by the State Board of Accounts and engage a certified public accountant to conduct the examinations; and

WHEREAS, on February 15, 2017, the Board, in its capacity as the municipal legislative body, authorized its designee, Sabine Karner, to file the requisite document(s) to opt-out of the

examination of its books by the State Board of Accounts and be authorized to engage a certified public accountant to conduct such annual examinations; and

WHEREAS, the Board previously adopted an “Audit & Risk Committee Charter” establishing the Audit & Risk Committee and defining its responsibilities and powers, including authority “annually . . . to engage independent auditors for CEG and present the results of the annual audit to the Board of Directors”; and

WHEREAS, the Board desires to further amend the “Audit & Risk Committee Charter” to further clarify and coordinate that document with the specific requirements of Ind. Code § 5-11-1-24.4(e) and to qualify the Audit & Risk Committee as an “audit committee” described in Ind. Code § 5-11-1-24.4(e) for purposes of engaging a certified public accountant under Ind. Code § 5-11-1-24.4(b).

NOW, THEREFORE, BE IT RESOLVED that the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis (the “Board”), hereby amends the Board’s “Audit & Risk Committee Charter,” as described at this meeting, to further clarify and coordinate that document with the specific requirements of Ind. Code § 5-11-1-24.4(e) and to qualify the Audit & Risk Committee as an “audit committee” described in Ind. Code § 5-11-1-24.4(e) for purposes of engaging a certified public accountant under Ind. Code § 5-11-1-24.4(b).

Thereafter, the Chair invited Mr. Terry to provide a report from the Compensation and Finance Committee. He noted that the Compensation and Finance Committee reviewed a proposal to authorize financing for the wastewater utility system (doing business as CWA Authority, Inc.) and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board of Directors of CWA Authority, Inc. unanimously approved the following resolution:

WHEREAS, the City of Indianapolis (the “City”), the Sanitary District of the City (the “District”), acting by and through the Board of Public Works and the Department of Public Utilities of the City d/b/a Citizens Energy Group (“Citizens”), acting by and through the Board of Directors for Utilities, entered into an Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater) (the “Interlocal Agreement”) dated as of August 9, 2010, establishing CWA Authority, Inc. (the “Authority”) for the purpose of acquiring, owning and operating the wastewater treatment facilities of the City and the District (the “Wastewater System”) and exercising all of Citizens’, the City’s and the District’s powers (except as set forth in the Interlocal Agreement, the City’s power of taxation and taxing authority) that are necessary, useful or appropriate to the acquisition, ownership and operation of the Wastewater System, including, but not limited to, the power to issue bonds and other obligations in order to finance capital expenditures related to the Wastewater System pursuant to Indiana Code 8-1-11.1; and

WHEREAS, the Authority owns and operates the Wastewater System serving the inhabitants of Marion County and other nearby communities and acts pursuant to a public charitable trust for the Wastewater System; and

WHEREAS, certain necessary betterments, improvements, extensions and additions (the "2017 Project") must be made to the Wastewater System; and

WHEREAS, the Authority may find it beneficial and convenient to issue its Series 2017 First Lien Bonds (as defined below) to the Indiana Finance Authority (the "IFA") pursuant to IC 4-4-10.9 and -11 and IC 13-18-13 and such Series 2017 First Lien Bonds would in such instance or instances evidence one or more loans of proceeds (the "Loan" or "Loans") from the IFA to the Authority; and

WHEREAS, if the Authority issues its Series 2017 First Lien Bonds to the IFA, the IFA will issue one or more series of its First Lien Wastewater Utility Revenue Bonds, Series 2017 (CWA Authority Project) (the "IFA Wastewater Bonds") in order to provide the proceeds of the Loan to the Authority; and

WHEREAS, if the Authority issues its Series 2017 First Lien Bonds to the IFA, the Authority will enter into a loan agreement (the "Loan Agreement") or a Financial Assistance Agreement (as defined below) with the IFA in order to evidence the obligations of the Authority to repay the Loan; and

WHEREAS, the Authority desires to issue its CWA Authority, Inc. City of Indianapolis, Indiana Wastewater System First Lien Revenue Bonds, Series 2017 (the "Series 2017 First Lien Bonds") in one or more series or sub-series pursuant to this Resolution and the First Lien Master Trust Indenture (the "First Lien Master Indenture") dated as of July 1, 2011, between the Authority and The Bank of New York Mellon Trust Company, N.A. (the "Trustee") in order to fund the costs of the 2017 Project, fund a debt service reserve, if necessary, and pay for related costs in connection therewith; and

WHEREAS, the Authority 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 the Authority, 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 OF CWA AUTHORITY, INC. 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 the Nonprofit Act, Indiana Code 36-9-25, et. seq., Indiana Code 36-1-7, et. seq., Indiana Code 5-1-14 et. seq., Indiana Code 8-1-11.1, et. seq., and Indiana Code 4-4-10.9 and 11, et. seq., each as amended from time to time.

“Bond Documents” means, as the context may require, (a) the Series 2017 First Lien Bonds, (b) the Series 2017 First Lien Supplemental Indenture, (c) the Loan Agreement, (d) the Continuing Disclosure Undertaking Agreement, (e) the Purchase Contract and (f) the Financial Assistance Agreement.

“Continuing Disclosure Undertaking Agreement” means the Continuing Disclosure Undertaking Agreement executed by the Authority in connection with the Authority’s continuing disclosure obligations with respect to the Series 2017 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 2017 First Lien Bonds or any portion of the Series 2017 First Lien Bonds, which Credit Facility may be secured or obtained by any Executive Officer at the time of issuance of the Series 2017 First Lien Bonds.

“Credit Facility Agreement” means a reimbursement agreement or a similar agreement, between the Authority 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 2017 First Lien Bonds or any portion of the Series 2017 First Lien Bonds selected by any Executive Officer pursuant to Section 9.

“Executive Officer” means the President of the Board, the Vice President of the Board, the President of the Authority, any Vice President of the Authority, the Chief Financial Officer of the Authority or the Treasurer of the Authority.

“Financial Assistance Agreement” means a Financial Assistance Agreement between the IFA and the Authority.

“Official Statement” means (i) if an Executive Officer determines to issue the Series 2017 First Lien Bonds to the IFA, the Official Statement of the IFA and the Authority for the IFA Wastewater Bonds (if necessary) or (ii) if an Executive Officer determines not to issue the Series 2017 First Lien Bonds to the IFA, the Official Statement of the Authority in connection with the offering of the Series 2017 First Lien Bonds. No Official Statement shall be required if an Executive Officer determines to issue the Series 2017 First Lien Bonds to the IFA through the IFA’s State Revolving Fund Program.

“Purchase Contract” means the Bond Purchase Agreement among the Authority, the IFA (if applicable) and an Underwriter.

“Put” means the right or the obligation of the holders of the Series 2017 First Lien Bonds to put or tender their Series 2017 First Lien Bonds to the Authority, a Remarketing Agent or a Credit Provider on a Put Date during a term rate period under the Series 2017 Supplemental Indenture.

“Put Date” means the date selected by an Executive Officer contemporaneous with the issuance of Series 2017 First Lien Bonds, on which the holders of such Series 2017 First Lien Bonds may be able to or shall be obligated to put or tender such Series 2017 First Lien Bonds to the Authority, 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 the Authority and a Remarketing Agent for the Series 2017 First Lien Bonds or any portion thereof in a form approved by any Executive Officer.

“Series 2017 First Lien Supplemental Indenture” means the Series 2017 First Lien Supplemental Trust Indenture providing for the issuance of the Series 2017 First Lien Bonds between the Authority and the Trustee.

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

SECTION 3. LIMITED OBLIGATIONS. The Series 2017 First Lien Bonds are limited obligations of the Authority and are payable as provided therein and in the First Lien Master Indenture from Pledged Funds and Net Revenues of the Wastewater System. The Series 2017 First Lien Bonds do not now, and shall never, constitute a charge against the general credit of the City of Indianapolis, Indiana, the IFA, the State of Indiana or any other political subdivision thereof, including Citizens.

SECTION 4. SERIES 2017 FIRST LIEN BONDS. The Board authorizes any Executive Officer to approve the issuance, execution, sale and delivery of the Series 2017 First Lien Bonds, subject to the further provisions of this Section 4 and pursuant to the Acts, by and on behalf of the Authority. The Authority shall issue the Series 2017 First Lien Bonds in an aggregate principal amount not to exceed \$200,000,000 and sufficient to (i) fund the costs of the 2017 Project, (ii) fund a debt service reserve for the Series 2017 First Lien Bonds, if necessary, and (iii) pay costs, expenses and fees in connection with (1) the Series 2017 Project and (2) the authorization, issuance, sale and delivery of the Series

2017 First Lien Bonds and the IFA Wastewater Bonds, if applicable (and the security therefor, including any Credit Facility). The Series 2017 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 2017 First Lien Bonds shall be issued as serial bonds and/or term bonds, maturing not later than December 31, 2057. The Series 2017 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 2017 First Lien Bonds (or any portion thereof) will bear interest fixed to the maturity dates of such Series 2017 First Lien Bonds or whether such Series 2017 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, the Series 2017 First Lien Bonds may be issued to the IFA in order to evidence the Loan made therefor as described in the Loan Agreement or a Financial Assistance Agreement or the Series 2017 First Lien Bonds may be sold pursuant to the provisions of IC 5-1-11, subject to the applicable provisions thereof, but in either case shall be sold with an underwriter's discount not to exceed one percent (1%) of the aggregate principal amount of the Series 2017 First Lien Bonds (excluding original issue discount or premium). The Series 2017 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 2017 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, the Authority may issue the Series 2017 First Lien Bonds in more than one series or sub-series, with any such designation consistent with the provisions of the First Lien Master Indenture. Any Executive Director may determine to issue any series or subseries of Series 2017 Bonds as second lien bonds.

SECTION 5. DOCUMENTS, EXECUTION, DELIVERY. The Bond Documents are approved by and on behalf of the Authority substantially in the forms presented to the Board at the February 17, 2016 meeting related to the approval of the issuance of the Series 2016 First Lien Bonds and the form of the Financial Assistance Agreement, with such changes as necessary to accommodate the issuance of the Series 2017 First Lien Bonds and/or the IFA Wastewater 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 are authorized to execute and deliver the Series 2017 First Lien Bonds and any other document, agreement or certificate deemed necessary by any Executive Officer or bond counsel to properly issue the Series 2017 First Lien Bonds.

SECTION 6. OFFICIAL STATEMENT. (a) The Board approves the preliminary Official Statement, in the form presented to the Board at this meeting with such changes as necessary to accommodate the issuance of the Series 2017 First Lien Bonds and/or the IFA Wastewater 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 the Authority, and in cooperation with the IFA, if applicable, the preliminary Official Statement to potential purchasers of the IFA Wastewater Bonds or Series 2017 First Lien Bonds, as applicable, provided, however, that:

(i) any Executive Officer is authorized and directed to deem by and on behalf of the Authority 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, if applicable, any Executive Officer is authorized and directed by and on behalf of the Authority to (a) complete the Official Statement, and (b) make such changes in the Official Statement in preparing the final Official Statement for the Series 2017 First Lien Bonds or the IFA Wastewater 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 the Authority, the final Official Statement, including any amendments or supplements, to the purchasers of the Series 2017 First Lien Bonds or IFA Wastewater 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 Authority.

SECTION 7. FURTHER ACTS. Any Executive Officer is authorized and directed by and on behalf of the Authority to do any and all further acts by and on behalf of the Authority, 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 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 2017 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 the Authority 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 2017 First Lien Bonds, Pledged Funds or any Net Revenues of the Wastewater System as contemplated by the First Lien Master Indenture to payments due in connection with any such Credit Facility;

(ii) determine if all or any portion of the Series 2017 First Lien Bonds shall be sold to IFA through its State Revolving Fund Program;

(iii) select and approve the Remarketing Agent with respect to a Put Date; 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. APPOINTMENTS. In connection with the Transactions, the Board ratifies and confirms the appointment or retention by and on behalf of the Authority of Ice Miller LLP, as bond counsel. Any Executive Officer is authorized and directed by and on behalf of the Authority to appoint and retain special counsel to the Authority and underwriters of the Series 2017 First Lien Bonds, if necessary and as applicable. Such Executive Officer is further authorized and directed to apply proceeds of the sale of the Series 2017 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 2017 First Lien Bonds pursuant to the provisions of the First Lien Master Indenture, such reserve may be funded from proceeds of the Series 2017 First Lien Bonds, available proceeds of the Authority, or in lieu of using such proceeds, any Executive Officer is authorized and directed by and on behalf of the Authority 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 Series 2017 First Lien Bonds or the Pledged Funds and Net Revenues of the Wastewater 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 2017 First Lien Bonds are incorporated into this Resolution by this reference, and are made by the Board for and on behalf of the Authority 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 December 31, 2017, after which date further approval of the Board will be required in connection with the issuance of the Series 2017 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.

Next, the Chair invited Mr. Lacy to provide a report from the Wastewater Resources Executive Committee (the "Wastewater Committee"). He reported that the Wastewater Committee held a meeting on April 12, 2017, and reviewed financial highlights for the wastewater utility system, including review of the debt service, revenue projections, and operating expenses. He noted that the Wastewater Committee received an update from Mr. Willman on the transition of wastewater operations from Suez to Citizens Energy Group. The Wastewater Committee received an update from Mr. Jacob on the wastewater capital program, including a discussion about optimization of the capital program highlighting management's effort to review the wastewater treatment plant system to identify savings and improve efficiencies.

The Chair invited Mr. Braun to provide a report on Energy Operations. Mr. Braun requested that the Board consider and authorize execution of the Gas Transportation Agreement between Citizens Gas and Hoosier Energy Rural Electric Cooperative, Inc. Following discussion, and upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the following:

WHEREAS, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis (the “Board”), through its Citizens Gas utility (“Citizens Gas”), pursuant to Gas Rate No. 30 of the Citizens Gas tariff approved by and currently on file with the Indiana Utility Regulatory Commission (“Commission”), is authorized to provide natural gas service to retail electric and steam power generation customers pursuant to special contracts, subject to the approval of the Commission; and

WHEREAS, Hoosier Energy Rural Electric Cooperative, Inc. (“Hoosier Energy”) owns and operates the Worthington Electric Generating Station located in Switz City, Indiana and is eligible as a retail power generation customer to receive service under Gas Rate No. 30; and

WHEREAS, Hoosier Energy and Citizens Gas both believe that the public interest will be served if Citizens Gas provides natural gas transportation service to the Worthington Electric Generation Station pursuant to Gas Rate No. 30 and a proposed Gas Transportation Agreement (the “Agreement”) containing rates, charges, terms and conditions that management recommends the Board approve; and

WHEREAS, the Board now finds that the rates, charges, terms and conditions set forth in the Agreement (i) will allow Citizens Gas to recover its incremental cost of providing service to Hoosier Energy and provide a contribution to the recovery of Citizens Gas’s fixed costs; and (ii) are reasonable and should be approved; and

WHEREAS, the Board further finds that certain rates, charges, terms and conditions in the Agreement contain trade secrets that are confidential and proprietary and exempt from public access and disclosure requirements under Indiana law.

NOW, THEREFORE, BE IT RESOLVED that:

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

SECTION 2. The Board hereby authorizes, individually or jointly, the Chair, Vice Chair, President and Chief Executive Officer, any Senior Vice President, Vice President, Treasurer, Assistant Treasurer, Secretary and Assistant Secretary of Citizens Energy Group (collectively, the “Authorized Officers” and each an “Authorized Officer”) “to enter into and execute on behalf of the Board a contract substantially in the form of the Agreement with such changes as management of the Board determines to be advisable.

SECTION 3. The Authorized Officers are hereby authorized, individually or jointly, to execute and file on behalf of the Board a Petition requesting approval of the Agreement by the Commission.

SECTION 4. The Authorized Officers also shall prepare and and file such testimony and exhibits as necessary to support the relief requested in such Petition and take such other actions as it determines advisable in order to obtain the Commission’s approval of the Agreement and protect the confidentiality of the rates, charges, terms and conditions in the Agreement that contain trade secrets

that are confidential and proprietary and exempt from public access and disclosure requirements under Indiana law.

Mr. Brehm next reviewed the quarterly financial highlights for Citizens Energy Group and CWA Authority, Inc. He noted that debt service coverages were favorable across the utilities. Following Mr. Brehm's report, Mr. Harrison provided a quarterly report to the Board, including updates pertaining to operations activities, customer advisory group meetings, and Citizens' community activities.

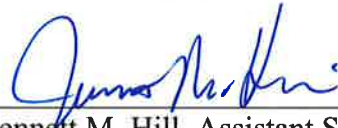
Next, the Chair invited Mr. Brown to present Citizens' 2016 Corporate Accountability Report Summary. This report seeks to provide to Citizens an objective measurement of the local community leaders' opinions of Citizens Energy Group on various issues including overall satisfaction, overall perception, and performance ratings. Mr. Brown reported that overall satisfaction with all aspects of Citizens Energy Group remains high, at eighty-seven percent and the strength of overall satisfaction increased in 2016. Following Mr. Brown's report, Mr. Sutherland provided a 2017 Indiana General Assembly legislative recap. He noted that the Indiana General Assembly passed two bills during the legislative session that will impact Citizens' water and wastewater operations: Senate Enrolled Act (SEA) 416 and House Enrolled Act (HEA) 1519. Mr. Sutherland reported that SEA 416 focused on three major categories: enhanced authority for the Indiana Finance Authority (IFA) to support infrastructure investment; an expanded role for the IFA in the development of water and wastewater public policy; and water and wastewater regulatory changes. The legislation enacted in HEA 1519 concentrated on four major water and wastewater categories: allows water and wastewater utilities to create economic development zones; modifies language for municipal use of Distribution System Improvement Charges (DSIC); authorizes investor-owned utilities (IOUs) to file plans to invest in future sources of water supply; and expand the DSIC statute to allow IOUs to file plans to

replace customer-owned lead service lines. The Chair thanked Mr. Brown and Mr. Sutherland for their informative presentations to the Board.

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



Daniel C. Appel, Chair
Board of Directors



Jennett M. Hill, Assistant Secretary
Board of Directors