

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD AUGUST 16, 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 9:40 a.m. EST, Wednesday, August 16, 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. Members of the Board of Trustees who were also 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 Brand Development, Jeff Brown; Director of Treasury, Sara Mamuska-Morris; Director of Government and External Affairs, Joe Sutherland; Senior Manager of Internal Audit, John Siefer; and Manager of External Relations and Special Projects, Shannon Stahley.

Also present at the meeting was Michael B. Cracraft, Partner with the law firm of Ice Miller LLP.

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

The Board considered the minutes of its previous 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 17, 2017.

The Chair certified that the subject matter of the discussion during the Executive Session of the Boards held August 16, 2017 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 or conflicts were identified.

The Chair then addressed management's request to approve the energy efficiency filing set forth in Fuel Cost Adjustment (FAC 46). 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 46, 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. Mr. Good acknowledged that the Audit and Risk Committee was satisfied with the preliminary Fiscal Year 2017 Third Quarter (Q3) 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 Q3 Financial Statements. Mr. Good informed the Board that the external auditors, Deloitte and Touche (Deloitte), delivered its Third Quarter Interim report to the Audit and Risk Committee, noting that Deloitte had no concerns to report to the committee. He further noted that the "audit committee," as defined in the Audit and Risk Committee's Charter and for purposes of Ind. Code § 5-11-1-24.4, received and considered Deloitte's proposal for engagement for 2018 and that the audit committee recommended approval of the same to the Board. Upon a motion duly made and seconded, the Board unanimously approved Deloitte's 2018 Audit Engagement Letter for Citizens Energy Group and CWA Authority, Inc.

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 a capital contribution from the Chilled Water Division to Citizens Resources and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the following resolution:

WHEREAS, the Department of Public Utilities of the City of Indianapolis (“City”), acting by and through the Board of Directors for Utilities of the Department of Public Utilities (the “Board”) as successor trustee of a public charitable trust (the “Energy Trust”) d/b/a Citizens Energy Group (“Citizens Energy Group”, “Citizens” or “CEG”) is vested by Indiana Code 8-1-11.1 (the “Act”) with the exclusive government, management, regulation and control of certain properties held by the City as successor trustee of a public charitable trust; and

WHEREAS, the Board established within the Energy Trust, the Thermal Energy System (the “Thermal Energy System” or “System”) and within such System, a Steam Division and a Chilled Water Division (each as defined in the Thermal Energy System Trust Indenture (as defined herein)); and

WHEREAS, in addition to the Thermal Energy System, Citizens Resources (as defined below) is included within the Energy Trust; and

WHEREAS, Citizens Energy Group is authorized by the Act to do all things necessary to cause Citizens Resources, a wholly-owned subsidiary of Citizens Energy Group (“Citizens Resources”), to carry on its operations efficiently and to conduct its business in the same manner as if Citizens Resources’ stock were owned by private individuals, including the organization of affiliates and subsidiaries; and

WHEREAS, Citizens Energy Services Company, LLC (“CESCO”), a wholly-owned subsidiary limited liability company of Citizens Resources, was formed by Citizens Resources to be a systems holding company; and

WHEREAS, in 2014 Citizens Westfield Utilities, LLC (“CWU”), a limited liability company, was formed by Citizens Resources and CESCO to serve as an intermediate holding company for Westfield Gas, LLC, Citizens Water of Westfield, LLC and Citizens Wastewater of Westfield, LLC; and

WHEREAS, CWU is a wholly-owned subsidiary of CESCO; and

WHEREAS, Citizens Resources has determined, as a result of careful strategic and financial planning (the “Financial Plan”), that an opportunity exists to increase the financial stability of CWU, lower its debt service payments and better secure and enhance Citizens Resources’ overall benefit from its investment in CWU, by recapitalizing and investing funds in CWU, and that in its business judgment, implementing this strategy and the Financial Plan would allow it to more efficiently carry on its operations and conduct its business, and that doing so is in the best interests of Citizens Resources; and

WHEREAS, Citizens Resources has requested that Citizens Energy Group make a capital contribution to Citizens Resources of funds necessary to implement and fund the Financial Plan and to carry on its operations efficiently and to conduct its business operations; and

WHEREAS, after due consideration, the Board has determined to make the requested capital contribution to Citizens Resources in an amount not to exceed \$18,000,000.00 to fund the Financial Plan (the “Capital Contribution”) and that the same is necessary to cause Citizens Resources to efficiently carry on its operations and conduct its business; and

WHEREAS, the Chilled Water Division is not a utility as defined in the Act and the rates and charges of the Chilled Water Division are not subject to regulation by the Indiana Utility Regulatory Commission; and

WHEREAS, Chilled Water Division funds are identified as a “Non-regulated Source” and “Non-regulated Use” of funds in the annual Customer Benefit Distribution filing; and

WHEREAS, Citizens Energy Group and The Bank of New York Mellon Trust Company, N.A.(as successor in interest to Fifth Third Bank, Indiana) (the “Thermal System Trustee”), as trustee, have executed the Thermal Energy System Trust Indenture dated as of January 1, 2001, as amended and supplemented from time to time (collectively, the “Thermal Energy System Trust Indenture” or “Indenture”); and

WHEREAS, Section 5.10 of the Thermal Energy System Trust Indenture permits Citizens to use any Income and Revenues of Thermal Energy System (as defined in the Thermal Energy System Trust Indenture), after application of Sections 5.02, 5.03, 5.04, 5.05, 5.06 and 5.07 thereof, for any lawful purpose reasonably expected by Citizens to contribute to or benefit the Thermal Energy System or the public charitable trust to which the Thermal Energy System is subject; and

WHEREAS, the Board has been provided information concerning the benefit to the Thermal Energy System or the public charitable trust to which the Thermal Energy System is subject, of using funds delivered from the Chilled Water Division to make the Capital Contribution;

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

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

SECTION 2. The Board hereby finds and determines that the use of Chilled Water Division funds to support the Capital Contribution to Citizens Resources, are lawful purposes that are reasonably expected to contribute to the benefit of the Thermal Energy System or the public charitable trust to which the Thermal Energy System is subject.

SECTION 3. The Board hereby authorizes and directs 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”) singly or otherwise, to execute, do and perform all acts and to execute in the name of Citizens Energy Group all such instruments, documents, papers or certificates which are desirable and necessary to carry out the transactions contemplated by this Resolution, including but not limited to, contributing available funds of the Chilled Water Division to make the Capital Contribution to Citizens Resources; to benefit the Thermal Energy System and the Energy Trust, in such forms as the Authorized Officer(s) executing the same shall determine to be proper, which determination shall be conclusively evidenced by the execution of the same.

SECTION 4. The taking of any action or the execution of any instrument by the Authorized Officers in connection with the foregoing Resolutions shall be conclusive of such Authorized Officers' determination that the same was necessary to serve the best interests of Citizens Energy Group.

SECTION 5. If any section, paragraph or provision of these Resolutions shall be held to be invalid or unenforceable for any reason, the invalidity or unenforceability of such section, paragraph or provision shall not affect any of the remaining provisions of these Resolutions.

SECTION 6. These Resolutions shall be in full force and effect from and after its passage and execution.

Next, the Chair invited Ms. Harden to provide an update from the Water Resources Executive Committee (the "Water Committee"). She reported that the Water Committee held a meeting on June 21, 2017 and reviewed financial highlights for the water utility system, including a review of revenue projections and operating expenses. She noted that Mr. Willman provided the committee with an update on operational trends and activities. He pointed to the positive operational trends relative to water main breaks and non-revenue water. Mr. Willman also described for the Water Committee various ongoing capital projects such as the Fall Creek Treatment Plant Volatile Organic Compound Removal project concerning key ground water supply, the Army Corps of Engineers' and the City of Indianapolis' Flood Protection plan, and the White River-to-Canal intake, co-funded by Citizens and the City of Indianapolis.

Next, Mr. Appel provided a report of the Energy Resources Executive Committee (the "Energy Committee"). He reported that the Energy Committee met on August 9, 2017, where Mr. Braun provided the committee with an update of the gas and thermal operations. Mr. Braun noted that the thermal division (Citizens' steam and chilled water business) continues to work with its customer base to review and renew services.

Mr. Brehm next reviewed the quarterly financial highlights for Citizens Energy Group and CWA Authority, Inc. Mr. Brehm indicated that on July 21, 2017, Citizens closed on its long-term debt financing bonds in the amount of \$163.5 million for the wastewater utility (doing business as CWA Authority, Inc.) and issued said bonds through the State Revolving Fund (SRF) Loan Program. He reported that as a result, \$1.7 million in savings will be passed on to customers.

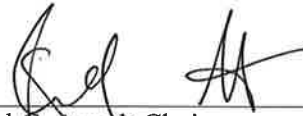
Following Mr. Brehm's report, Mr. Harrison provided a quarterly report to the Board, including updates pertaining to customer service enhancements and community engagement. Mr. Harrison noted that Citizens had recently expanded its bill payment options, including "PayNearMe," a payment option that makes 120 locations accessible for customers to pay their monthly utility bill. He also informed the Board that the Prospect Street site had been rebranded to Pleasant Run Crossing in an effort to unify the community's vision for reuse of the site. Mr. Harrison affirmed that Citizens will continue to work with community stakeholders to optimize reuse of the Pleasant Run Crossing site.

The Chair invited Mr. Strohl and Ms. Karner to present Citizens' strategic plan and process. Mr. Strohl began the presentation with an overview of the strategic planning process. Then, Ms. Karner presented Citizens' Strategic Plan for 2018 through 2022, including how Citizens engaged with the Board, employees, suppliers, customers, and external subject matter experts to help inform the process. Ms. Karner noted that based upon the information and feedback, various themes emerged such as: affordability of rates, cost containment, organizational sustainability, and talent development. She concluded the presentation by noting that twenty-four unique initiatives were identified and are in place for the first year of the plan. She noted that progress towards the goals will be reviewed annually.

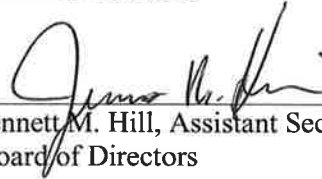
Following Ms. Karner, the Chair invited Ms. Prentice and Ms. Stahley to report on the status of the Assess, Reuse and Implementation (ARI) strategy for the Pleasant Run Crossing site, which was supported, in part, by a federal grant from the U.S. Economic Development Administration (EDA). Ms. Prentice briefly provided a historical recap of the property that comprised Pleasant Run Crossing. Then, Ms. Stahley informed the Board that site demolition and debris removal had been completed as of April 14, 2017. She further noted that for the past two years interim measures have been in place for targeted remediation of existing contaminants in certain areas on the site. In addition, Ms. Stahley acknowledged that Citizens has been proactively engaging stakeholders through strategic outreach on a quarterly basis. She also briefed the Board on the scope and expectations of the EDA grant and ARI strategy. She noted that since the EDA/ARI study kicked-off in October 2016, the City of Indianapolis announced its proposal to work with Citizens to locate the Community Justice Campus (CJC) at Pleasant Run Crossing.

She confirmed to the Board that the EDA project scope did not change with this announcement and that deliverables presented to the EDA will include two scenarios: one with and one without the CJC. Ms. Stahley concluded her presentation by noting that the site rebranding to Pleasant Run Crossing has generated excitement from the community. The Chair thanked Ms. Karner and Ms. Stahley for their enlightening reports 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