

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD AUGUST 15, 2018**

Pursuant to notice duly given and posted as required by law, a joint meeting of the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group and the Board of Directors of CWA Authority, Inc. (jointly referred to as the "Board" unless otherwise noted) convened at 10:15 a.m., EST, Wednesday, August 15, 2018, at the offices of Citizens Energy Group ("Citizens"), 2150 Dr. Martin Luther King, Jr. Street, Indianapolis, Indiana.

All Board members were present at the meeting: Daniel C. Appel (Chair), Moira M. Carlstedt, Jeffrey E. Good, Christia Hicks, J.A. Lacy, Anne Nobles, Maria M. Quintana, Phillip A. Terry and Joseph E. Whitsett. Members of the Board of Trustees who were also present included: Daniel F. Evans, Jr., John L. Krauss, Jackie Nytes and Brian Williams.

Present from Citizens: President and Chief Executive Officer, Jeffery 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 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 and Chief Diversity Officer, Jodi Whitney; Vice President of Water Operations, Jeffrey A. Willman; Director of Wastewater Collection, Tim Blagsvedt; Director of Corporate Affairs, Jeff Brown; Director of Environmental Stewardship, Ann McIver; Director of Customer Relationships, Gregory Sawyers; Director of Underground Engineering and Construction, John Trypus; and Manager of Engineering, Rebecca Schaefer.

Also present at the meeting was David Forsell, President of Keep Indianapolis Beautiful, Inc.; Edward L. Kropp, Of Counsel with the law firm of Steptoe & Johnson PLLC; and Michael B. Cracraft and Richard J. Thrapp, both partners with the law firm of Ice Miller LLP.

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 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 16, 2018.

The Chair certified that the subjects discussed during the Executive Session of the Board held on August 15, 2018 was limited solely to the items set forth in the Public Notice, attached as Exhibit "A".

The Chair addressed management's request to approve the energy efficiency filing set forth in Fuel Cost Adjustment (FAC) 50. Upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the following:

IT IS HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES that FAC 50, attached as Exhibit "B", is hereby ratified, confirmed, and approved.

Next, the Chair opened the CWA Authority, Inc. public hearing regarding the proposed amendments to Resolution No. CWA 2-2011 and Resolution No. CWA 3-2011, as indicated in the Public Notice, attached as Exhibit "C".

Ms. McIver summarized the public notice process and advised the Board that no comments were received by CWA Authority during the public notice period regarding the proposed amendments for Resolution No. CWA 2-2011, a resolution establishing uniform requirements for discharges into, the construction of, and additions to wastewater collection and treatment system owned and operated by CWA Authority, Inc. The Chair then requested comments from the public. Receiving none, and upon a motion duly made and seconded, the Board of Directors of CWA Authority, Inc. unanimously approved the proposed amendments to Resolution No. CWA 2-2011, attached as Exhibit "D".

Additionally, Ms. McIver advised the Board that a minor comment was received by CWA Authority, Inc. during the public notice period regarding the proposed amendments for Resolution No. CWA 3-2011, a resolution authorizing enforcement of violations and establishing an administrative

adjudication process for violations. Ms. McIver noted that the proposed amended resolution reflects the requested change, which did not result in a substantive change to the proposed amended resolution. The Chair then requested comments from the public. Receiving none, and upon a motion duly made and seconded, the Board of Directors of CWA Authority, Inc. unanimously approved the proposed amendments for Resolution No. CWA 3-2011, attached as Exhibit "E".

Following the adoption of the resolutions, the Chair closed the public hearing portion of the meeting.

Next, the Chair invited Mr. Harrison to present a report on second quarter activities. Mr. Harrison briefly summarized the downtown Indianapolis sewer failures that occurred at the intersections of Pennsylvania and Ohio Streets on July 4, 2018 (the "Pennsylvania Site") and Illinois and Maryland Streets on July 19, 2018 (the "Illinois Intersection"). He then introduced Mr. Willman and Ms. Schaefer and invited them to provide a special presentation related to these events and the sewer system rehabilitation and renewal programs conducted by Citizens.

Mr. Willman provided a historical overview of the Indianapolis wastewater system, highlighting the efforts made by Citizens to maintain, rehabilitate, extend and invest in the life of this system. He noted that Citizens operates, on behalf of CWA Authority, Inc., the largest wastewater system in the state of Indiana, which serves over 240,000 customers.

Ms. Schaefer next discussed the rapid assessment protocol implemented subsequent to the sewer failure events. Ms. Schaefer provided a detailed overview of each event, noting that the event at the Illinois Intersection was discovered during a routine maintenance inspection. Upon inquiry from a Board member as to duration of the construction work, Ms. Schaefer explained the timeline for each event noting the importance of safety and the network of utilities involved at the Pennsylvania Site adding to the complexity and duration of the work. She affirmed that around-the-clock work was completed when possible requiring collaboration with other utility providers along with implementing a sewer rehabilitation method known as cured-in-place-pipe at the Pennsylvania Site.

Ms. Schafer then informed the Board that as a result of the downtown sewer failures, Citizens immediately enacted a proactive plan and approach to help mitigate the risk of a future occurrence. She commented that the goal of the response plan, referred to as the sewer rapid condition assessment (“RCA”), was to re-inspect sewers and manholes located in one square mile of downtown Indianapolis (the “Mile Square”) by August 1, 2018. She commended the collaborative efforts of internal and external partners to expeditiously complete the RCA for the Mile Square, noting that as a process improvement, Citizens will repeat the inspection process for the Mile Square every 5 years instead of every 10 years. She also shared additional results from the RCA and the timeline for completing other planned repairs.

Ms. Schaefer also recognized another program in place known as the capacity, management operation and maintenance (“CMOM”) program. She stated that the purpose of the CMOM program is to document the rehabilitation program, including inspection and cleaning. She added that the concept for the CMOM program was defined by the U.S. Environmental Protection Agency (“EPA”) based on industry best practices. The CMOM Program report for CWA Authority, Inc. is submitted to the EPA and Indiana Department of Environmental Management every 5 years for review.

Mr. Willman closed the presentation by discussing the wastewater utility’s rehabilitation process. He reminded the Board that CWA Authority, Inc. invests approximately \$15-20 million per year in sewer rehabilitation. He noted that 80 miles of sewer rehabilitation had been completed from 2013 to 2017. He underscored the continued need for sewer system investment, noting that 150 miles of sewers had been identified as high priority for rehabilitation. Mr. Willman also commented that the sewer rehabilitation expenditures for CWA Authority, Inc. will increase as consent decree costs decline in the next 4-5 years.

Next, Mr. Good provided a report from the Audit and Risk Committee (the “Audit Committee”). He acknowledged that the Audit Committee was satisfied with the preliminary Fiscal Year 2018 Third Quarter 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 2018 Third Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc.

Mr. Good also reported that the Audit Committee received a report from the external audit firm, Deloitte and Touche LLP (“Deloitte”). He reported that representatives from Deloitte reviewed the preliminary results of the third quarter audit review and had no concerns to report to the Audit Committee.

Then, Mr. Good stated that the Audit Committee considered Deloitte’s proposed 2019 Audit Engagement Letter for Citizens Energy Group and CWA Authority, Inc., and that the Audit Committee recommended approval of the same to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the proposed 2019 Audit Engagement Letter for Citizens Energy Group and CWA Authority, Inc.

The Chair invited Ms. Hicks to provide a report from the Water Resources Executive Committee (the “Water Committee”). She reported that the Water Committee held a meeting on June 20, 2018 and reviewed the financial highlights for the water utility system. She informed the Board that Mr. Jeff Willman presented a report addressing Citizens’ water operator apprenticeship program, Partnership for Safe Water quality program, water quality initiatives and progress related to Citizens’ White River-to-Canal and Fall Creek-to-Canal intakes.

Following Ms. Hicks’ report, Mr. Appel provided a report from the Energy Resources Executive Committee (the “Energy Committee”). He reported that the Energy Committee held a meeting on August 8, 2018 and reviewed financial highlights for the energy utility system. He noted that Mr. Chris Braun presented a report that focused on the issue of cross-boring. He explained that this issue could arise where intersections of an existing underground utility or underground structure may be crossed by a second utility. He and his team are reviewing any such potential issues in the energy system. He also reported on the results from the American Gas Association (the “AGA”) Peer Review, a voluntary program jointly staffed by utilities across the country to review practices for utility operations. He noted that following the peer review, the AGA recognized that Citizens was a leader in damage prevention, has a strong cross-bore process, and has strong relationships with its partners. The AGA also offered Citizens certain

opportunities for improvement, including increased efforts to improve cross-bore risk mitigation and public awareness of cross-boring.

Next the Chair invited Mr. Braun to provide a report from Energy operations. Mr. Braun requested that the Board consider and authorize execution of a gas transportation agreement between Citizen Gas and Community Natural Gas Company, 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 its tariffs, terms and conditions approved and currently on file with the Indiana Utility Regulatory Commission (the “Commission”), is authorized to provide natural gas service to customers pursuant to special contracts, subject to the approval of the Commission; and

WHEREAS, Community Natural Gas Company, Inc., (“Community”) is a local distribution company serving approximately 7,000 residential, commercial and industrial customers in southwestern Indiana. Community’s service territory includes parts of Dubois, Gibson, Greene, Monroe, Posey, Owen, Spencer, Sullivan and Warrick Counties in Indiana; and

WHEREAS, Community and Citizens Gas both believe that the public interest will be served if Citizens Gas provides natural gas transportation and sales to Community; and

WHEREAS, Community is eligible to receive gas supply service under Gas Rate No. S2 Back-up Gas Supply Service Gas Supply Charge under Citizens Gas’s Monthly Rider A Schedule; and

WHEREAS, a proposed Gas Transportation & Sale for Resale Agreement (the “Agreement”) containing rates, charges, terms and conditions has been agreed upon by Citizens Gas and Community and Citizens Gas’s management recommends the Board approve; and

WHEREAS, the Board now finds that the rates and charges, terms and conditions set forth in the Agreement (i) will allow Citizens Gas to recover its incremental cost of providing service to Community 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 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 law.

Mr. Braun then provided an update pertaining to the oil assets of the Energy Trust. Mr. Braun reported that the discovery of oil in Greene County has served the Energy Trust well for the past 48 years, noting that even with substantial cost cutting efforts, the projected cash flow from Plummer is limited. He explained that Citizens has an opportunity to sell and dispose the Plummer assets to a qualified buyer. He also highlighted that the proposed transaction included a separate agreement to purchase produced natural gas at a discount, which could potentially provide gas customers a savings with their annual gas cost. Therefore, Mr. Braun requested that the Board declare that the oil assets are surplus to the Energy Trust and authorize management to dispose of these assets. Following discussion, and upon a motion duly made and seconded, the Board of Directors of Citizens Energy Group unanimously approved the following:

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 d/b/a Citizens Energy Group is vested by Indiana Code 8-1-11.1 with the exclusive government, management, regulation and control of certain utility operations and properties located in the City and Marion County, Indiana, and pursuant to the decision in Todd v Citizens' Gas Co. of Indianapolis, 46 F.2d 855 (7th Cir. 1931) its gas operations assets acquired by the Board in 1935 were subject to a public charitable trust (the "Energy Trust"); and

WHEREAS, effective as of February 1, 2015, the Board approved the contribution of its oil exploration and production business and assets to Citizens Resources Production, LLC f/k/a Kinetrex Energy Exploration & Production, LLC (“CRP”) (an indirect wholly-owned subsidiary of Citizens By-Products Coal Company d/b/a Citizens Resources), which currently operates the business and assets; and

WHEREAS, CRP has an opportunity to sell its assets based on a process overseen by its board and by Citizens Resources, each of which believes such sale to be for fair value and in the best interests of those entities and the Board; and

NOW, THEREFORE, BE IT RESOLVED, that the Board, as and on behalf of the trustee of the Energy Trust, hereby confirms and declares that such assets, which are not original corpus of the Energy Trust, are surplus to the needs of the Energy Trust and that Citizens Resources Production, LLC and its board and officers are hereby authorized and directed to determine with counsel the necessary steps to sell and dispose of such assets and to proceed with such sale and disposal.

The Board reviewed financial highlights for Citizens Energy Group. Mr. Brehm reminded the Board that Citizens’ primary goals are to meet its debt service obligations and support the capital needs of the business, noting the importance of reducing debt levels over time. He reported that Citizens was on track in meeting its business objectives.

Mr. Brehm also reported that Citizens met with three primary bond rating agencies (Moody’s Investors Service (“Moody’s”), Fitch Ratings and Standard & Poor’s Global Ratings) for debt refunding opportunities. He was pleased to report that following the meetings, each rating agency upgraded Citizens’ bond ratings for the water utility system (doing business as Citizens Water). Furthermore, Moody’s upgraded Citizens’ bond ratings for the gas and wastewater utility systems (doing business as Citizens Gas and CWA Authority, Inc., respectively).

Next, the Chair invited Mr. Forsell, with Keep Indianapolis Beautiful, Inc. (“KIB”), to present an update on the Ten Thousand Trees initiative. He noted that this initiative is a long-term partnership between KIB, Citizens and the Indianapolis Department of Public Works to plant 10,000 trees across the city of Indianapolis to beautify neighborhoods and reduce combined sewer overflow (“CSOs”) to area waterways. He noted that the initiative to plant ten thousand trees continues to support Citizens’ investment to nearly eliminate CSOs to area rivers and streams by the year 2025. He also highlighted how the initiative complements Citizens’ environment, business and community sustainability goals through

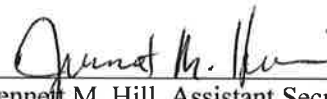
CSO reduction, community engagement and workforce development for young people. He concluded the presentation by reporting that the initiative is off to a great start by planting 700 trees on the near eastside of Indianapolis in 2017.

Ms. Karner was invited to present an update for Citizens' Strategic Plan for 2018 through 2022. She reminded the Board of Citizens' engagement of its stakeholders as a way to inform the process by identifying various themes for the strategic plan. She then provided an update regarding Citizens' strategic initiatives, noting that twenty-four initiatives were completed from Citizens' Strategic Plan for 2018 through 2022 – Year 1. In addition, she stated that three initiatives would continue along with 16 new initiatives for Citizens' Strategic Plan for 2018 through 2022 – Year 2. She pointed out that affordability of rates, cost containment, organizational sustainability and talent development continue to drive the business objectives for the organization.

The Chair then 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

**MINUTES OF THE SPECIAL MEETING
OF THE BOARD OF DIRECTORS OF
CWA AUTHORITY, INC.
HELD AUGUST 29, 2018**

Pursuant to notice duly given and posted as required by law, a special meeting of the Board of Directors CWA Authority, Inc. (the "Board") convened at 4:50 p.m., EST, Wednesday, August 29, 2018, at the offices of Citizens Energy Group, 2150 Dr. Martin Luther King, Jr. Street, Indianapolis, Indiana.

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

Present from CWA Authority, Inc.: 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 Capital Programs and Engineering, Mark Jacob; 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 Water Operations, Jeffrey A. Willman; Director of Regulatory Affairs, Korlon Kilpatrick; and Associate General Counsel, Michael E. Allen.

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 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 certified that the subject discussed during the Executive Session of the Board held on August 29, 2018 was limited solely to the items set forth in the Public Notice, attached as Exhibit "A".

The Chair invited Ms. Prentice to provide a report on regulatory activities for consideration by the Board. Ms. Prentice then requested that the Board authorize the wastewater utility (doing business as CWA Authority, Inc.) to send to the Indiana Utility Regulatory Commission (the "IURC") a 30-day notice of intent to file a case to seek rate relief. She noted the purpose for seeking rate relief included a

need to recover the debt service associated with the required capital investment for the U.S. Environmental Protection Agency's mandated Combined Sewer Overflow Consent Decree and Long Term Control Plan. Following discussion, and upon a motion duly made and seconded, the Board of Directors of CWA Authority, Inc. unanimously approved the following:

WHEREAS, CWA Authority, Inc. ("CWA" or the "Utility"), is an Indiana nonprofit corporation established pursuant to IC 23-17, *et seq.*, IC 36-1-7 and IC 8-1-11.1 and the "Interlocal Cooperation Agreement for the Provision of Utility Services (Wastewater)" (the "Interlocal Agreement") among the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group ("Citizens Energy Group"), and the Sanitary District of the City of Indianapolis, acting by and through the Board of Public Works (the "Sanitary District"); and

WHEREAS, pursuant to an Asset Purchase Agreement approved by the Indiana Utility Regulatory Commission (the "Commission") in Cause No. 43936 on July 13, 2011 and consummated on August 26, 2011, CWA acquired the wastewater utility assets formerly owned by the Sanitary District; and

WHEREAS, the persons who are members of the Citizens Energy Group Board of Directors constitute the Board of Directors of CWA (the "CWA Board") pursuant to the provisions of the Interlocal Agreement and CWA's Articles of Incorporation; and

WHEREAS, pursuant to the Interlocal Agreement, Citizens Energy Group delegated to and vested in CWA all of Citizens Energy Group's powers that are necessary, useful or appropriate to acquiring, owning and operating the wastewater utility system; and

WHEREAS, the CWA Board has the statutory powers of Citizens Energy Group to adopt rates and charges for the provision of wastewater utility service under IC 8-1-11.1-3(c)(9); and

WHEREAS, rates and charges of utilities adopted pursuant to IC 8-1-11.1-3(c)(9) "shall be in effect only after the rules and rates have been filed with and approved by the Commission"; and

WHEREAS, the existing rates and charges for wastewater service of CWA were placed into effect in accordance with the Commission's Order in CWA's last rate case in Cause No. 44685 and compliance filings made pursuant to such Order; and

WHEREAS, management of CWA is in the process of completing accounting and other reports analyzing the Utility's annual revenue requirements and has concluded the Utility's existing rates and charges need to be adjusted to, among other things, provide adequate funding for capital investments necessary to comply with the 2006 Combined Sewer Overflow Consent Decree entered into with the United States Environmental Protection Agency and the Indiana Department of Environmental Management and continue improvements to the Utility's aging infrastructure; and

WHEREAS, management of CWA has recommended to the CWA Board that it authorize (i) Jeffrey A. Harrison to provide the Secretary of the Commission a Notice of Intent to File a Rate Case (“Notice of Intent”); and (ii) CWA management to take other necessary and appropriate steps to file a general rate case approximately thirty (30) days thereafter in compliance with Commission General Administrative Order 2013-5.

NOW, THEREFORE, BE IT RESOLVED, the CWA Board authorizes and directs (i) Jeffrey A. Harrison to provide the Secretary of the Commission a Notice of Intent; and (ii) CWA management to take other necessary and appropriate steps to file a general rate case petition and supporting testimony with the Commission not sooner than thirty (30) days after the Notice of Intent is provided to the Secretary of the Commission.

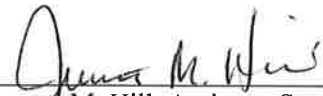
ADOPTED AND APPROVED this 29th day of August 2018.

Next, the Chair invited Mr. Harrison to provide a recap of the public information update given to the IURC pertaining to the two sewer failures in downtown Indianapolis (“Mile Square”) during July, 2018. Mr. Harrison stated that management discussed its findings for the sewer failures located in the Mile Square with the IURC. Furthermore, he shared the protocol implemented by Citizens and its partners to repair the sewer failures and reopen areas in the Mile Square that were impacted by the unplanned interruption. Mr. Harrison reported that management responded to questions from the IURC, the IURC staff and the Utility Consumer Counselor, Bill Fine. Mr. Harrison shared that the IURC appreciated Citizens’ proactive engagement of the IURC during the sewer failure events, and heralded Citizens’ efforts relative to transparency and swift response to mitigate sewer failures within the Mile Square.

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



Daniel C. Appel, Chair
Board of Directors



Jenette M. Hill, Assistant Secretary
Board of Directors