

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD SEPTEMBER 29, 2021**

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 (“Citizens”) and the Board of Directors of CWA Authority, Inc. (jointly referred to as the “Board” unless otherwise noted) convened electronically, via video-conference, at 8:40 a.m., EST, Wednesday, September 29, 2021, consistent with prevailing executive orders governing such meetings resulting from Governor Holcomb’s declaration of a public health emergency for the coronavirus disease 2019 outbreak (“COVID-19”). The meeting was conducted utilizing Microsoft Teams technology by which participants could join by computer or mobile app, or call in (audio only), being the identified electronic means of communication that allowed members of the Board to simultaneously communicate with each other, and for the public to simultaneously attend and observe the meeting.

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

Present from Citizens: Jeffrey A. Harrison, President and Chief Executive Officer; John R. Brehm, Senior Vice President and Chief Financial Officer; Jennett M. Hill, Senior Vice President and General Counsel; Craig Jackson, Senior Vice President of Special Projects; Michael D. Strohl, Senior Vice President and Chief Customer Officer; J.P. Ghio, Vice President of Energy Operations; Mark C. Jacob, Vice President of Capital Programs and Engineering; Curtis H. Popp, Vice President of Customer Operations; LaTona S. Prentice, Vice President of Regulatory and External Affairs; Jodi L. Whitney, Vice President of Human Resources and Chief Diversity Officer; and Jeffrey A. Willman, Vice President of Water Operations.

Also present at the meeting was David Wathen, Director and Executive Compensation Practice Leader with Willis Towers Watson (“WTW”) and Michael B. Cracraft of Ice Miller.

The meeting was called to order by the Vice Chair of the Board. Members of the Board were pronounced present following a voice roll call by the Secretary. Each of the members of the Board participated in the meeting by using the designated electronic means of communication. The Vice 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 unanimously approved the minutes of the joint meeting of the Boards of Directors of Citizens Energy Group and CWA Authority, Inc. held on August 18, 2021 by roll call vote; viz:

YEAS: Appel, Carlstedt, Davis, Good, Hicks, Lacy, Quintana, and Terry

The Vice Chair certified that the subject discussed during the Executive Session of the Board held on September 29, 2021 was limited solely to the item set forth in the Public Notice, attached as Exhibit “A”.

The Vice Chair addressed management’s request to approve the filing set forth in Fuel Cost Adjustment 63. Upon a motion duly made and seconded, the Citizens Board of Directors (the “Citizens Board”) unanimously ratified and approved the following resolution by roll call vote; viz:

YEAS: Appel, Carlstedt, Davis, Good, Hicks, Lacy, Quintana, and Terry

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that the proposed fuel cost adjustment (“FAC”) rate in Cause No. 41969-FAC 63 of \$0.71015 to be effective November 1, 2021, subject to approval by the Indiana Utility Regulatory Commission, is hereby approved.

The Vice Chair also addressed management’s request to approve the filing set forth in Gas Cost Adjustment 151. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the following resolution by roll call vote; viz:

YEAS: Appel, Carlstedt, Davis, Good, Hicks, Lacy, Quintana, and Terry

RESOLVED by the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis that the updated filing with the Indiana Utility Regulatory Commission (“IURC”) for the proposed gas cost adjustment (“GCA”) rates in Cause No. 37399-GCA 151 for September, October and November 2021 is hereby approved and ratified. Pursuant to the terms of the monthly GCA mechanism, management and staff hereby are authorized to modify the GCA rates for September, October and

November 2021 in accordance with the terms of the Cause No. 37399-GCA 75 Order and the Order in Cause No. 37399-GCA 151, which were approved by the IURC in August 2021.

Next, the Vice Chair invited Mr. Terry to provide a report from the Compensation and Finance Committee (the “Committee”). Mr. Terry reported that Mr. Wathen reviewed with the Committee the WTW Executive Compensation Benchmarking Analysis for fiscal year 2022. He also reported that the Committee discussed compensation recommendations with Mr. Harrison. Mr. Terry reviewed with the Board the Committee’s recommendation for the Board’s consideration and approval. Following discussion, and upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution by roll call vote; viz:

YEAS: Appel, Carlstedt, Davis, Good, Hicks, Lacy, Quintana, and Terry

WHEREAS, by statute, the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis (the “Board”) has the “exclusive government, management, regulation and control of all public utilities consisting of any waterworks, gasworks . . . heating and power plants of any kind [owned and] operated [by the Board] . . . within the city, or outside the city . . .” IC 8-1-11.1-3(a); and

WHEREAS, the Board also has the statutory power to “employ such managers . . . and other employees necessary for the proper carrying on and operation of any such utility plant or plants . . . and to fix the compensation of all such employees” and in so doing “shall consider character, training, and general expert and executive fitness and experience for the position in the particular utility to which such [executive] is to be assigned as the necessary requirements . . .” IC 8-1-11.1-3(c)(4); and

WHEREAS, the Board has periodically reviewed and made necessary changes in the base pay and other compensation for executives employed by the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group based upon the recommendations of the Compensation and Finance Committee of the Board (the “Committee”) and its consideration of an analysis of executive compensation performed by a third-party compensation expert and other factors, such as the current level of compensation in the primary market for executive talent necessary to perform the duties of each executive position within Citizens Energy Group; and

WHEREAS, the Committee engaged leading compensation consultant Willis Towers Watson to prepare for its consideration and the Board’s information a competitive benchmarking analysis for certain executive positions within Citizens Energy Group; and

WHEREAS, on September 22, 2021, Mr. David A. Wathen of Willis Towers Watson presented to the Committee in its public session the executive compensation benchmarking analysis for fiscal year 2022 and proposed fiscal year 2022 compensation adjustments; and,

WHEREAS, the Committee indicated that it would take the information in the Willis Towers Watson benchmarking analysis under advisement in setting executive compensation for fiscal year 2022, which begins on October 1, 2021; and,

WHEREAS, by Memorandum dated September 29, 2021, Jeffrey A. Harrison, President and CEO, and Jodi L. Whitney, Vice President for Human Resources and Chief Diversity Officer, recommended the following three items to the Committee for its consideration and approval — Items 1 and 2: Fiscal Year 2022 Compensation Recommendations (based upon the September 22, 2021 Willis Towers Watson Executive Compensation Benchmarking Analysis, input from the President and CEO and guidance from the Committee) and Item 3: Fiscal Year 2022 Short-Term Incentive Plan (STIP) Framework.

WHEREAS, based upon the recommendation of the Committee, input from officers of Citizens Energy Group who are responsible for the delivery of utility services provided by seven regulated utilities, and consideration of other factors, the Board has determined that (a) the primary market for talent for the officers of Citizens Energy Group consists of a blended peer group of public power utilities and investor owned utilities with annual revenues between one-half to two times the annual revenues of Citizens Energy Group, (b) the secondary market reference point for an officer performing a functional role should be general industry, (c) the targeted market pay position should be the market 50th percentile, and (d) the targeted market pay component should be target total direct compensation; and

WHEREAS, based upon the foregoing, the Board continues to believe that the primary market for talent necessary to perform the duties of each executive position within Citizens Energy Group consists of a peer group of utilities made up of a blend of similarly-sized public power utilities and investor owned utilities.

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF INDIANAPOLIS (the “Board”), that:

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

SECTION 2. After consultation with Willis Towers Watson, and review of the Willis Towers Watson Executive Compensation Benchmarking Analysis for fiscal year (“FY”) 2022, dated September 22, 2021 (a copy of which is attached hereto as Exhibit “B”) and the Willis Towers Watson Proposed Executive Compensation Increases for FY2022 based on input from the President & CEO and the Committee, dated September 22, 2021 (a copy of which is attached hereto as Exhibit “C”), and the Committee’s recommendations to the Board, the Board hereby adopts the compensation set forth in Exhibit “D” for each of the listed officers for the fiscal year beginning October 1, 2021.

SECTION 3. The Board, by recommendation of the Committee and having considered the necessary and appropriate measures for inclusion in the STIP Plan for FY2022, hereby adopts the financial trigger and performance measures (overall customer satisfaction, safety and cost containment) set forth in the FY2022 Short Term Incentive Pay Plan (a copy of which is attached hereto as Exhibit “E”).

Mr. Terry next acknowledged that the Committee was satisfied with the proposed budget and forecast for fiscal year 2022 for Citizens Energy Group and CWA Authority, Inc. (as outlined in the Citizens Energy Group and CWA Authority, Inc. Fiscal Year 2022 Budget and 2021-2026 Forecast) and recommended approval of the same to the Board. Upon a motion duly made and seconded, the Board unanimously approved the Citizens Energy Group and CWA Authority, Inc. Fiscal Year 2022 Budget and 2021-2026 Forecast with a roll call vote, viz:

YEAS: Appel, Carlstedt, Davis, Good, Hicks, Lacy, Quintana, and Terry

Mr. Terry also reported that the Committee recommends for approval to the Board the customer benefit distribution for 2022. Upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution by roll call vote; viz:

YEAS: Appel, Carlstedt, Davis, , Hicks, Lacy, Quintana, and Terry

BE IT HEREBY RESOLVED BY THE BOARD OF DIRECTORS FOR UTILITIES OF THE DEPARTMENT OF PUBLIC UTILITIES OF THE CITY OF INDIANAPOLIS (the “Board”) that the necessary and appropriate officers of Citizens Energy Group are hereby authorized and directed to file a gas rate decrease to reflect the Customer Benefit Policy distribution approved by the Board, which represents an overall decrease of Four Hundred and Ten Thousand Dollars (\$410,000.00) for 2022.

The Vice Chair next invited Mr. Brehm to provide a financial report. Mr. Brehm reported that, at the request of the Board Chair, he would first provide an update concerning Citizens’ pension funding. He noted that Citizens makes financial disclosures relative to this funding. This financial disclosure serves to demonstrate that there is adequate funding for the pension plan, which is supported by a study conducted by actuaries. Management’s disciplined approach to funding the pension based on actuary recommendations has served Citizens well. Upon inquiry from the Board, Mr. Brehm explained that the actuary helps Citizens design allocations for each business unit.

Mr. Brehm next reported on and requested approval of the proposed Disposition of Funds – Estimated for Fiscal Year Ended September 30, 2022 (attached as Exhibit “F”), to be filed with the city of Indianapolis. Upon a motion duly made and seconded, the Board unanimously approved the Disposition of Funds – Estimated for Fiscal Year Ended September 30, 2022 with a roll call vote; viz:

YEAS: Appel, Carlstedt, Davis, Good, Hicks, Lacy, Quintana, and Terry

There being no further business, the Vice Chair adjourned the meeting.

DocuSigned by:

Anne Nobles

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Anne Nobles, Chair
Board of Directors

DocuSigned by:

Jennett M. Hill

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Jennett M. Hill, Assistant Secretary
Board of Directors