

**MINUTES OF THE JOINT MEETING  
OF THE BOARDS OF DIRECTORS OF  
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.  
HELD AUGUST 21, 2024**

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. (CWA) (jointly referred to as the Board unless otherwise noted) convened at 8:35 a.m., EST, Wednesday, August 21, 2024, at the offices of Citizens, 2150 Doctor Martin Luther King, Jr. Street, Indianapolis, Indiana.

All Board members were present at the meeting: Anne Nobles (Chair), Moira M. Carlstedt, Jeffrey E. Good, Christia Hicks, J.A. Lacy, Jose V. Martinez, Maria M. Quintana, and Nichole C. Wilson. Daniel C. Appel attended the meeting electronically. Members of the Board of Trustees also present at the meeting were: Brian Williams, Jackie Nytes, and Mel Raines.

Present from Citizens: Jeffrey A. Harrison, President and Chief Executive Officer; Craig L. Jackson, Senior Vice President and Chief Financial Officer; Joseph M. Perkins, Jr., Senior Vice President and General Counsel; Michael D. Strohl, Senior Vice President and Chief Customer Officer; Sabine E. Karner, Vice President and Controller; John F. Lucas, Vice President of Information Technology; Curtis H. Popp, Vice President of Customer Operations; Joseph M. Sutherland, Vice President of Regulatory and External Affairs; Jodi L. Whitney, Vice President of Human Resources and Chief Diversity Officer; J.P. Ghio, Vice President of Energy Operations; Jennifer Bailey, Director of Treasury; Debi Bardhan-Akala, Director of Regulatory Affairs; Bridgett O'Conner, Director of Government Affairs and Regulatory Policy; Shannon Stahley, Director of Corporate and Public Affairs; Bruce Cooley, Capital Programs and Engineering Project Manager; and Laura O'Brien, Manager of Corporate and Public Affairs. Also present at the meeting were Tyler Kalachnik of Ice Miller LLP and Brad Sims of Channel 16 News.

The meeting was called to order by the Chair of the Board. The Chair recognized Daniel C. Appel attended the meeting electronically. The Chair made a statement regarding the voting process, and that votes will be recorded in the minutes consistent with Indiana Code 5-14-1.5-3.5(i).

The Chair requested Board members 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 May 15, 2024. Certification of Topics Discussed at the Executive Session on May 15, 2024.

The Chair invited Mr. Sutherland to provide a report on Regulatory and External Affairs. Mr. Sutherland provided two reports. His first report was on Distribution System Improvement Charge (DSIC) 3. He reviewed the purpose of DSIC, discussed the impact of increased federal dollars for road and transportation projects, and also reviewed the customer benefit from a full-rate case delay.

Mr. Sutherland's second report was on a Special Contract for De-Watering During Construction. He provided an overview on the Signia by Hilton Indianapolis hotel, currently under construction and expected to be open in late 2026. Mr. Sutherland recommended to the board a special contract between CWA Authority and the Capital Improvement Board with certain terms and conditions and an alternative rate, that would remain in effect during the construction phase of the hotel, and once completed, the rate would revert to the Tariff Rates.

The Chair addressed management's request to approve the special contract for de-watering during construction. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the resolution set forth below. Mr. Appel's vote in the affirmative is hereby noted for the purpose of keeping accurate minutes, but his vote is not included in the recorded votes, per I.C. 5-14-1.5-3.5(i). The approved resolution is as follows:

This Special Contract for Dewatering During Construction ("Special Contract") is entered into on the date last executed below ("Effective Date"), by and between Customer and CWA. Customer and CWA may hereinafter also be collectively referred to as the "Parties" and each individually as a "Party."

**WHEREAS**, Customer is a municipal entity created by Indiana Code 36-10-9, to finance, construct, equip, operate and maintain capital facilities or improvements of general public benefit;

**WHEREAS**, CWA is an Indiana nonprofit and an instrumentality 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”), created pursuant to an Interlocal Cooperation Agreement made in accordance with the Interlocal Cooperation Act, i.e., Indiana Code 36-1-7, by and between Citizens, the City of Indianapolis (“City”) and the Sanitary District of the City, acting by and through its Board of Public Works, to acquire and own wastewater system assets serving the Indianapolis area;

**WHEREAS**, Customer is currently engaged in work to develop the site of the planned Signia Hotel and Podium facility (“Signia Hotel”) within Pan Am Plaza at 201 S. Capitol Avenue, in Indianapolis, Indiana (“Site”), and in connection with its construction activities is in need of construction dewatering utility services on a temporary basis, during construction only and ending when the construction of the Signia Hotel is completed, as provided by CWA through its wastewater collection and treatment system (“System”);

**WHEREAS**, currently Customer, through its contractor(s), is engaged in construction dewatering at the Site (“Activity”) pursuant to CWA’s Sewer Rate No. 5, approved by and on file with the Indiana Utility Regulatory Commission (“Commission”), as amended from time to time, pursuant to that certain Special Discharge Agreement entered into with Customer’s contractor, Hunt Construction Group, Inc., on April 12, 2024 (“Special Discharge Agreement”);

**WHEREAS**, given the anticipated benefit to the Indianapolis community and the State of Indiana from Customer’s development of the Signia Hotel at the Site, the Parties have discussed ways to manage costs associated with Customer’s Activity, given the fact that CWA’s construction dewatering utility services are expected to only be required by Customer during construction of the Signia Hotel, and accordingly have reached agreement as set forth in this Special Contract.

**NOW, THEREFORE**, in consideration of the foregoing recitals, incorporated as part of this Special Contract, and their mutual promises herein, the Parties hereby agree as follows:

1. Customer’s Dewatering During Construction; Special Discharge Agreement. CWA, pursuant to the Special Discharge Agreement, permits Customer’s engagement in the Activity at the Site, through Customer’s contractor, in connection with development of the Signia Hotel. The Activity proceeds currently pursuant to the Sewage Disposal Service Tariff Rates, Terms and Conditions for Sewage Disposal Service Within Marion County, Indiana and Continuous Areas (“Tariff”), approved by and on file with the Commission, as amended from time to time, including – as noted above – the Tariff’s Sewer Rate No. 5 (“Tariff Rate”), all as set forth in the Special Discharge Agreement, which remains in effect.
2. Proposed Rates and Charges; Approval by Commission. CWA has identified an alternative set of rates and charges which the Parties believe to be more appropriate for the Activity instead of the Tariff Rate. This proposed alternative set of rates and charges (“Proposed Rate”) is set forth in the attached Exhibit A. The Parties understand that this Proposed Rate and Special Contract need Commission approval before they can be effective, and thus the Parties will continue to apply the Tariff Rate to Customer’s Activity, through the Special Discharge Agreement, unless and until the Commission orders otherwise.
3. Temporary Rate; Contribution Toward Cost of Service. CWA has determined that, during the Activity, the Proposed Rate will cover the variable cost to provide construction dewatering service to the Site for the development of the Signia Hotel, and also will contribute to CWA’s fixed costs. The Parties understand the Proposed Rate is temporary, intended solely for the Activity; i.e., the Proposed Rate is intended specifically for dewatering of the Site in connection with construction during development of the Signia Hotel. The Parties understand that, notwithstanding approval of the Proposed Rate by the Commission,

after construction of the Signia Hotel is completed the Proposed Rate would no longer apply to discharges from the Signia Hotel, as it is for construction dewatering only.

4. **Effective Date for Proposed Rate; Cooperation of Customer.** The Proposed Rate will become effective, if approved, no earlier than the date it is approved by the Commission (“Proposed Rate Effective Date”). Customer, in good faith and at its own cost, will cooperate with CWA’s efforts to secure approval of the Proposed Rate and this Special Contract from the Commission.
5. **Credit.** For the period of time between January 1, 2024, through the Proposed Rate Effective Date, CWA shall calculate the difference between the billing amount due from Customer to CWA under the Tariff Rate, based on Customer’s self-reported usage under the Special Discharge Agreement, and the amount that would have been paid by Customer for the same usage under the Proposed Rate. Upon Commission approval of the Proposed Rate, this calculated amount will represent a credit (“Credit”) and the total charge for the construction dewatering services received by Customer at the Site will be reduced by the Credit amount. The Parties acknowledge and agree that the Credit applied prospectively beginning on the Proposed Rate Effective Date is a reasonable arrangement that provides for a financial device that will be practicable and advantageous to the Parties in providing for an appropriate amount of revenue paid by Customer for construction dewatering service during development of the Signia Hotel.
6. **Impact on Special Discharge Agreement.** Upon the Proposed Rate Effective Date, this Special Contract between CWA and Customer will replace and supersede the Special Discharge Agreement between CWA and Hunt Construction Group, Inc., dated April 12, 2024, except in the event described in Para. 9, below.
7. **Entire Agreement.** This Special Contract memorializes the Parties’ entire agreement with respect to the subject matter hereof, except as is set forth in the Special Discharge Agreement and the Tariff.
8. **Term.** This Special Contract shall expire no later than April 1, 2025, unless extended by the Parties by mutual written agreement.
9. **Amendment; Assignment.** This Special Contract may only be amended by mutual agreement in writing by the Parties, except as described in Exhibit A. The Parties agree that, in the event the Commission does not approve this Special Contract or the Proposed Rate, as currently written and agreed to by the Parties, the Special Discharge Agreement will continue to apply, and this Special Contract will be allowed to expire or be amended, and if the Commission modifies any terms of this Special Contract then the Parties may mutually accept such modifications, or either Party may elect to cancel its agreement to the Special Contract. Neither Party may assign its rights and obligations under this Special Contract except as mutually agreed by the Parties.

**Governing Law.** This Special Contract is governed by and subject to the laws of the State of Indiana, and any proceeding relating thereto shall take place in Marion County, Indiana, unless otherwise mutually agreed in writing by the Parties.

The Chair addressed management’s request to approve the filing set forth in Fuel Cost

Adjustment 74. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and

approved the resolution set forth below. Mr. Appel's vote in the affirmative is hereby noted for the purpose of keeping accurate minutes, but his vote is not included in the recorded votes, per I.C. 5-14-1.5-3.5(i). The approved resolution is as follows:

**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 74 of \$0.50564 to be effective August 1, 2024 subject to approval by the Indiana Utility Regulatory Commission is hereby approved and ratified.

The Chair addressed management's request to approve the filing set forth in Gas Cost Adjustment 163. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the resolution set forth below. Mr. Appel's vote in the affirmative is hereby noted for the purpose of keeping accurate minutes, but his vote is not included in the recorded votes, per I.C. 5-14-1.5-3.5(i). The approved resolution is as follows:

**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 163 for September, October and November 2024 is hereby approved. Pursuant to the terms of the monthly GCA mechanism, the management and staff hereby are authorized to modify the GCA rates for September, October and November 2024 in accordance with the terms of the Cause No. 37399-GCA 75 Order and the Order in Cause No. 37399-GCA 163, which will be approved by the IURC in August 2024.

The Chair addressed management's request to approve the filing set forth in Distribution System Improvement Charge 3. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the resolution Set forth below. Mr. Appel's vote in the affirmative is hereby noted for the purpose of keeping accurate minutes, but his vote is not included in the recorded votes, per I.C. 5-14-1.5-3.5(i). The approved resolution is as follows:

**WHEREAS**, the Department of Public Utilities for the City of Indianapolis, acting by and through the Board of Directors for Utilities of the Department of Public Utilities (the "Board") as trustee of the public charitable trust for the water system d/b/a Citizens Water ("Citizens Water") is vested by Indiana Code ch. 8-1-11.1 with the exclusive government, management, regulation, and control of certain utility operations and properties located in and around Marion County, Indiana; and

**WHEREAS**, Citizens Water owns and operates water utility assets acquired from the City of Indianapolis, Indiana (the "City") and the Department of Waterworks of the City pursuant to an Asset Purchase Agreement approved by Order of the Indiana Utility Regulatory Commission ("Commission") issued on July 13, 2011 in Cause No. 43936; and

**WHEREAS**, the Board has the statutory power to adopt rates and charges for the provision of water service under IC 8-1-11.1-3(c)(9) and such rates and charges "shall be in

effect only after the . . . rates have been filed with and approved by the Commission;” and

**WHEREAS**, Citizens Water’s last general rate increase was approved by the Commission on April 20, 2016 in Cause No. 44644, and was based on a revenue requirement designed to recover a fixed annual amount of revenue necessary to fund Citizens Water’s annual extensions and replacement costs as well as debt-service cost for bonds issued to fund an additional amount of extensions and replacements cost; and

**WHEREAS**, since 2016, the annual amount spent by Citizens Water on extensions and replacements has increased and exceeded the fixed annual amount recovered through the rates approved in Cause No. 44644 for reasons that include: the continual and increasing need to replace aging infrastructure; steady increases in the number of utility plant relocation projects due to public road improvement projects; and increases in cost of projects; and

**WHEREAS**, a water utility may implement a Distribution System Improvement Charge (“DSIC”) pursuant to the DSIC Statute, IC 8-1-31-1, et seq., which if approved by the Commission is a surcharge that allows for expedited recovery between rate cases of costs associated with extensions and replacements that qualify as “eligible infrastructure improvements;” and

**WHEREAS**, on November 23, 2022, the Commission issued an Order in Cause No. 45767 DSIC 1, authorizing Citizens Water to recover \$15,049,155 through a DSIC over a four-year period and on November 22, 2023, the Commission issued an Order in Cause No. 45767 DSIC 2, authorizing Citizens Water to recover additional annual DSIC revenues of \$31,283,540 over a one-year period; and

**WHEREAS**, management has briefed the Board on: (i) the need to continue the DSIC due to Citizens Water’s continually increasing capital improvement needs; (ii) the amount of costs Citizens Water seeks to recover for eligible infrastructure improvements from a new DSIC 3 surcharge; (iii) the proposed rate schedules to establish a DSIC 3; (iv) the overall customer impacts of a DSIC 3; and (v) the DSIC filing process; and

**WHEREAS**, management has advised the Board that the overall impact of the DSIC 3 filing to customers is likely to be a reduction in the overall DSIC rate because the cost of the DSIC 2 eligible infrastructure improvements will have been recovered and removed from the DSIC rate and replaced with the cost of the DSIC 3 eligible infrastructure projects, which is expected to be lower; and

**WHEREAS**, based on management’s report and presentation, the Board finds it is appropriate and responsible for Citizens Water to seek Commission authority to establish a DSIC 3 surcharge through approval of Citizens Water’s proposed rate schedules.

**NOW THEREFORE, BE IT RESOLVED, BY THE BOARD OF DIRECTORS FOR PUBLIC 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 approves of Citizens Water’s filing of a new DSIC 3 through its proposed rate schedules and authorizes and directs management to file with the Commission a petition and prepared testimony and exhibits and to take such other action as deemed necessary and desirable, in support of the Commission approving Citizens Water’s establishment of a DSIC 3 surcharge through its proposed rate schedules pursuant to the DSIC Statute.

**Section 3.** Upon Commission approval of the initial DSIC 3 surcharge, the Board hereby authorizes and directs management to implement the DSIC 3 surcharge in such amount as approved by the Commission.

**Section 4.** This Resolution shall be in full force and effect from and after its passage and execution.

**ADOPTED AND APPROVED** this 21 day of August, 2024.

Next, the Chair invited Mr. Good to provide a report of the Audit and Risk Committee (the “Audit Committee”). Mr. Good reported that the Audit Committee reviewed the Fiscal Year (FY) 2024 Third Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc., ending June 30, 2024. He reported that the overall combined net income for the quarter was \$59.5 million, which was \$13.9 million higher than the same quarter in the previous year, primarily attributed to Citizens Water and Citizens Resources. Mr. Good next provided an overview of disclosures recognized in the footnotes of the quarterly financial statements, including finance and regulatory related activities. He also reported that the external audit firm, Deloitte and Touche LLP, completed its quarterly review with no concerns, errors, or deficiencies to report to the Audit Committee. He informed the Board that the Audit Committee was satisfied with the FY 2024 Third Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc., and recommended approval to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the FY 2024 Third Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc.

Mr. Good next reported on the Audit Committee’s annual review of Citizens’ insurance programs, noting that Citizens continues to competitively source its insurance programs with assistance from local and national brokers and utilize carriers with an A rating or higher. Additionally, he reported that overall, Citizens’ insurance programs remain competitive with industry peers as it relates to coverage limits, retentions, and premium costs despite ongoing market challenges impacting various programs

(e.g., property, excess liability, and fleet). He noted Citizens is continuing to focus on optimizing risk designation within the insurance carriers, maintaining close relationships with the carriers, collaborating with operations and facilities areas, and reinforcing a broader enterprise risk management process by mitigating top risks.

He then reported that the Audit Committee received a report concerning internal audit activities for the third quarter. He reported that Internal Audit completed its internal audit plan for 2023/2024 as planned and reviewed the results of its phase two advisory audit project recognized in the prior year's audit plan. The Audit Committee then reviewed the proposed FY 2025 audit plan, including a cross-reference to the top twenty risks identified in the enterprise risk management process. The Audit Committee took action to approve the plan as presented and did not recommend any changes.

Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the FY 2024 Third Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc.

Next, Ms. Hicks provided a report of the Compensation and Finance Committee. Ms. Hicks reported that the Compensation and Finance Committee reviewed a water supply plan for the city of Lebanon and the LEAP district. She reported Citizens Water has been engaged in conversations with the Indiana Finance Authority (IFA), Lebanon utilities, and others at the State about the possibility of Citizens Water supplying up to 25 million gallons of water per day (MGD) to Lebanon utilities and the LEAP district over the next 5-6 years to support regional growth. She highlighted Citizens' commitment to a 50-year water supply planning process has positioned Citizens Water well to meet the current customer water demands now and in the future. She reported Citizens Water and IFA have agreed to a loan framework structured as a non-recourse and forgivable loan, whereby Citizens Water will receive IFA funds, but neither Citizens Water nor any affiliate will bear any debt service or repayment responsibility, to fund the infrastructure needed to supply 25 MGD. Ms. Hicks provided the current project cost, estimated at \$450 million, however, the final cost could change based on Lebanon's connection requirements and more detailed engineering. As a result, she noted management is requesting authority to execute up to \$700 million in new debt capital through the non-recourse, forgivable loan



framework, the proceeds of which will be used solely to fund the infrastructure needed to supply the 25 MGD to Lebanon and the LEAP district.

The Chair addressed management's request, and upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution:

**WHEREAS**, Citizens is authorized to issue bonds and certificates of indebtedness pursuant to Indiana Code 8-1-11.1 payable out of the income and revenues derived from the Water System (as hereinafter defined) to finance acquisitions, the construction of necessary betterments, improvements, extensions, or additions to such systems or to pay prior obligations issued for such purposes; and

**WHEREAS**, certain necessary betterments, improvements, extensions and additions must be made to the Water System that Citizens holds and operates for the exclusive and perpetual benefit of the inhabitants of the City of Indianapolis and surrounding areas in furtherance of a public charitable trust; and

**WHEREAS**, such certain necessary betterments, improvements, extensions and additions to the Water System include developing, financing and supplying water to the City of Lebanon, Indiana ("Lebanon") for a project known as the Limitless Exploration/Advance Pace Lebanon and Research District (the "LEAP District Project"); and

**WHEREAS**, Citizens may find it beneficial and convenient and in the best interests of the inhabitants of the City of Indianapolis and surrounding areas in furtherance of a public charitable trust to undertake the LEAP District Project and to issue its Series 2024 Water Bonds (as defined below) to the Indiana Finance Authority (the "IFA") for its State Revolving Fund for Drinking Water Projects ("Water SRF") pursuant to IC 13-18-13 and such Series 2024 Water Bonds would in such instance or instances evidence one or more loans of proceeds (the "Loan" or "Loans") from the IFA to Citizens; and

**WHEREAS**, Citizens desires to issue its City of Indianapolis, Indiana Water System Subordinate Revenue Bonds, Series 2024 (the "Series 2024 Water Bonds") each in one or more series or sub-series and as further designated as appropriate and on one or more dates pursuant to this Resolution, the Indenture (as hereinafter defined), and the Bond Documents (as hereinafter defined) in order to finance the LEAP District Project, fund a debt service reserve, if necessary, and pay for related costs in connection therewith; and

**WHEREAS**, Citizens may enter into certain arrangements with Lebanon for the use of the LEAP District Project; and

**WHEREAS**, all bonds issued in accordance with and pursuant to this Resolution shall be limited obligations of Citizens, secured by and payable solely of Pledged Revenues made available to Citizens through Lebanon capital charges and/or payments from the Indiana Economic Development Corporation (IEDC) as provided in the Indenture and in the Series 2024 Water Bonds, as applicable;

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

**Section 1.**      RECITALS. The foregoing recitals are incorporated herein by reference.

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

“Acts” means Indiana Code 8-1-11.1, et. seq., Indiana Code 5-1-5 et. seq., Indiana Code 5-1-14 et. seq. and Indiana Code 5-1.2, each as amended from time to time.

“Bond Documents” means, as context requires and in the forms of documents substantially similar to those previously utilized in connection with the issuance of bonds for the Water System in 2023 for purchase by the IFA for the Water SRF, which are (a) the Series 2024 Water Bonds, (b) the Indenture, (c) the form of Financial Assistance Agreements entered into by Citizens with such changes as are necessary to accommodate the issuance of any Series 2024 Water Bonds.

“Executive Officer” means the President of the Board, the Vice President of the Board, the President of Citizens, any Vice President of Citizens, the Chief Financial Officer of Citizens or the Director of Treasury of Citizens.

“Financial Assistance Agreement” means a Financial Assistance Agreement between the IFA and Citizens with respect to the LEAP District Project and the Series 2024 Water Bonds.

“Indenture” means the Subordinate Water Trust Indenture dated on or before December 1, 2024 or such other date as may be approved by an Authorized Officer, between Citizens and the financial institution selected by Citizens and approved by the IFA to serve as trustee thereunder, as may be amended from time to time, pursuant to which the Series 2024 Water Bonds are issued.

“Other Non-Water Systems or Assets” means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by Citizens in trust or otherwise and used to provide: (1) gas utility and related services and products under the trade name of Citizens Gas; (2) the ownership interests of Citizens in Citizens Resources, including ownership of the limited liability companies that own the water and wastewater assets serving the City of Westfield, Indiana and its affiliates and in the now discontinued Manufacturing Division; (3) wastewater and related services and products held by CWA Authority, Inc. under the trade name of Citizens Wastewater; and (4) chilled water steam and related series and products under the trade name Citizens Thermal.

“Pledged Revenues” means only the payments made by Lebanon through their capital charges and/or moneys received from IEDC for the repayment of bonds issued in accordance with and pursuant to this Resolution and as set forth in the Indenture. Pledged Revenues do not include any funds, moneys or assets of Citizens or any of its affiliates.

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

“Water System” means all assets and properties, including any and all interests therein, whether real or personal or tangible or intangible, held or operated by Citizens in trust or otherwise and used to provide steam utility and chilled water and related services and products. None of the assets or properties of the Other Non-Water Systems or Assets shall be considered part of the Water System.

**Section 3. LIMITED OBLIGATIONS; SEPARATE OBLIGATIONS.** (a) The Series 2024 Water Bonds are limited obligations of Citizens and are payable as provided therein and in the Indenture from Pledged Revenues (as defined in the Indenture). The Series 2024 Water Bonds do not now, and shall never, constitute a charge against the general credit of the City of Indianapolis, its utility district as a special taxing district, the IFA, the State of Indiana, or any other political subdivision thereof.

(b) Notwithstanding any provision of this Resolution to the contrary, it is expressly held and understood that the Series 2024 Water Bonds are secured solely in the manner provided in the Indenture.

**Section 4. SERIES 2024 WATER BONDS.** The Board authorizes any Executive Officer to approve the issuance, execution, sale, and delivery of the Series 2024 Water Bonds, subject to the further provisions of this Section 4 and pursuant to the Acts, by and on behalf of Citizens. Citizens shall issue the Series 2024 Water Bonds in an aggregate principal amount not to exceed \$700,000,000 and sufficient to: (i) fund the costs of the LEAP District Project; (ii) fund a debt service reserve for the Series 2024 Water Bonds, if necessary; (iii) fund capitalized interest, if necessary; and (iv) pay costs, expenses and fees in connection with the authorization, issuance, sale and delivery of the Series 2024 Water Bonds. The

Series 2024 Water Bonds shall bear interest at an initial rate or at one or more interest rates not to exceed **four percent (4.00%)**] per annum, calculated as provided in the Indenture. The Series 2024 Water Bonds shall be issued as serial bonds and/or term bonds, maturing not later than December 31, 2059, and will be secured solely by the Pledged Revenues. The Series 2024 Water Bonds shall be subject to redemption in the manner determined by an Executive Officer. The Series 2024 Water Bonds shall be issued to the IFA in order to evidence the Loan made therefor as described in the Financial Assistance Agreement and the Indenture. The Series 2024 Water Bonds shall be secured by the Indenture. Notwithstanding anything in this Resolution to the contrary, (a) Citizens may issue the Series 2024 Water Bonds in more than one series or sub-series, and (b) the Indenture shall explicitly provide that: (i) the Series 2024 Water Bonds are payable only from and secured solely by the Pledged Revenues and shall have no claim against any other revenues of Citizens; and (ii) in the event the Pledged Revenues are not sufficient to fully repay the Series

2024 Water Bonds by **December 31, 2059**, the IFA shall forgive the further repayment of the Series 2024 Water Bonds.

**Section 5. DOCUMENTS, EXECUTION, DELIVERY.** The Bond Documents are approved by and on behalf of Citizens substantially in the forms presented to the Board at this meeting, with such changes as an Executive Officer determines necessary to accommodate the issuance of any series of Series 2024 Water Bonds and as may be approved by and on behalf of the Board by an Executive Officer. No further approval of the Board is required with respect to the Bond Documents. Any Executive Officer and the Secretary or the Assistant Secretary of the Board are authorized and directed to complete, execute and deliver the Bond Documents, by and on behalf of the Board, as contemplated by this Resolution and the Acts. Approval of any such changes and completion of the documents shall be evidenced by their execution and delivery. The Mayor, City Controller and City Clerk of the City of Indianapolis, Indiana are authorized to execute and deliver the Series 2024 Water Bonds and any other document, agreement or certificate deemed necessary by any Executive Officer or bond counsel to properly issue the Series 2024 Water Bonds. The Board authorizes the execution of the Bond Documents in counterparts by the executing Executive Officer(s) by Electronic Means (as defined below), all of which counterparts taken together shall constitute one and the same respective instrument. Moreover, the Board acknowledges and agrees that the Bond Documents may be signed and/or transmitted by e-mail or as .pdf documents or using electronic signature technology (e.g., via DocuSign or similar electronic technology) (“Electronic Means”) and that such signed electronic record shall be valid and as effective to bind the party so signing as a paper copy bearing such party’s handwritten signature.

**Section 6. FURTHER ACTS.** Any Executive Officer is authorized and directed by and on behalf of Citizens to do any and all further acts by and on behalf of Citizens, to execute any and all further agreements, certificates, contracts, documents or papers and to publish any such notice or notices appropriate, desirable or necessary in connection with the Transactions, including the execution and delivery of the Bond Documents and any agreements which may be required by the IFA in connection with the Loan, if applicable.

**Section 7. APPROVALS.** Any Executive Officer is authorized and directed by and on behalf of Citizens to:

- (i) Select and approve special counsel of Citizens in connection with the Transactions; and
- (ii) All approvals and selections authorized and directed by this Section 7 shall be evidenced by the execution and delivery of the applicable documents described herein.

**Section 8. APPOINTMENTS.** In connection with the Transactions, the Board ratifies and confirms the appointment or retention by and on behalf of the Issuer of Ice Miller LLP, as bond counsel and special counsel. Any Executive Officer is authorized and directed by and on behalf of the Issuer to apply proceeds of the sale of such Series 2024 Water Bonds or any Pledged Revenues pledged under the Indenture, to their compensation, disbursements, and expenses.

**Section 9.** DEBT SERVICE RESERVE. If a debt service reserve is deemed required or advantageous in the judgment of an Executive Officer for any Series 2024 Water Bonds or as required by the IFA pursuant to the provisions of the Indenture and the Financial Assistance Agreement, such reserve may be funded from proceeds of such Series 2024 Water Bonds, or in lieu of or in combination with using such proceeds, any Executive Officer is authorized and directed by and on behalf of Citizens to enter into a surety or guaranty agreement providing for the funding of such a reserve with a document or instrument such as a surety bond or letter of credit and any Executive Officer is further authorized and directed to use proceeds of the sale of any Series 2024 Water Bonds or the Pledged Revenues defined in the Indenture to pay for such document or instrument, including costs and expenses in connection therewith.

**Section 10.** FINDINGS. The findings made by the Bond Documents, with such changes as are necessary to accommodate the issuance of any Series 2024 Water Bonds, are incorporated into this Resolution by this reference, and are made by the Board for and on behalf of Citizens as if set forth in this Section 10.

**Section 11.** 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, 2024, after which date further approval of the Board will be required in connection with the issuance of the Series 2024 Water Bonds.

**Section 12.** 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 13.** EFFECTIVE DATE. This Resolution will be effective immediately upon its passage by the Board.

**Section 14.** PRIOR RESOLUTIONS. The provisions of this resolution, findings and authorizations provided herein are in addition to and shall not supersede, novate nor amend the resolution adopted by the Board on January 8, 2024.

**ADOPTED AND APPROVED** this 21st day of August, 2024.

Next, Mr. Lacy provided a report from the Water Resources Executive Committee (the “Water Committee”). Mr. Lacy reported that the Water Committee met on June 26, 2024, and received separate reports from management concerning financial highlights and operational activities for the water utility. He reported that FY 2024 net earnings are expected to exceed the target, primarily driven by higher interest income and increased demand from commercial customers. He continued by reporting that EBITDA (earnings before interest, taxes, depreciation, and amortization) is sufficient to cover 2024 capital needs, albeit this is largely a timing issue due to the current recovery of infrastructure investments from the prior year. He stated that the water utility’s long-term debt outstanding is projected at \$717

million by the end of fiscal year 2024, which represents a ratio of 62 percent debt in the capital structure compared to a target ratio of 40 percent debt.

Mr. Lacy concluded his report by providing an update from water operations on the plan to supply water to Lebanon and the LEAP district, summarized by Ms. Hicks, and the lead service line replacement project. He noted the lead service line replacement project intends to accelerate replacements from a 30-year timeline to a 15-year plan, funded through higher public funding, additional private investments, and primarily through IURC cost recovery and IFA forgivable and zero-interest loans. He also recognized that the Water Committee completed its annual review of the Water Committee Charter and did not recommend any changes.

Next, Ms. Nobles provided a report from the Energy Resources Executive Committee (the “Energy Committee”). She reported that the Energy Committee held a meeting on August 14, 2024, and received a financial report concerning the energy utility system. She reported that gas net earnings were better than expected, primarily due to increased sales and interest income. Additionally, she reported that the gas utility’s EBITDA is sufficient to cover its capital needs, and its long-term debt outstanding of \$97 million is at a target ratio of 19 percent debt in the capital structure. She also reported on the thermal business units' financial performance, noting that the steam business's net earnings were below target because of a reduction in sales due to warmer weather. She highlighted the steam utility did not have sufficient EBITDA to cover its capital expenditures and its long-term debt outstanding is \$56 million, a ratio of 53 percent debt in the capital structure compared to a target ratio of 0 percent debt. She reported chilled water’s EBITDA was better than the target, and there were higher sales due to a warmer summer.

Ms. Nobles also provided updates for energy operations activities. She reported that the Energy Committee received an update concerning investments to improve and increase natural gas storage to increase the capacity, enabling Citizens Gas to deliver during peak use days in the winter season and sell more services to offset future rate cases. She noted there have been no rate increases for the customers of Citizens Gas for more than ten years. Ms. Nobles also reported that the Energy Committee received an update concerning a federal grant program offered by the U.S. Pipeline of Hazardous Materials Safety Administration (“PHMSA”), noting that this program is offered to municipal natural gas utilities to repair,

rehab, or replace distribution pipe most prone to leaks. She reported that requests for PHMSA's first round of funding for the U.S. were received in 2022. Citizens Gas received its full request of \$7.5 million to replace cast-iron piping and construction for this project began in June with an expected completion date of summer 2026. She noted that a second round of grants were available in 2023 and Citizens submitted a request but did not receive the funding. She then noted there is a third round of funding taking place this year and Citizens has submitted a request for \$21.7 million for a variety of different improvement projects including the purchase of advanced leak detection equipment and the elimination of all remaining cast-iron piping from Citizens' system. Notification on this grant is expected in 2025.

Ms. Nobles reported on growth projects for energy operations, specifically with the thermal utilities. She first highlighted Elanco's chilled water system was completed in June and the steam system was completed in July. Then she highlighted the new construction at IU School of Medicine chilled water system was completed in June and the steam system will be completed in August. She noted a few steam growth projects, expected to take place over the next five years. These projects include building repairs and improvements and a vault relocation. She also recognized that the Energy Committee completed its annual review of the Energy Committee Charter and removed oil interests from the charter, as oil is out of the scope of the committee.

Then, the Chair invited Mr. Jackson to provide a financial report. Mr. Jackson provided updates concerning the FY 2024 projection and cash flow for the Trust. He reported that the capital expenditure projection for the Trust could potentially be approximately \$30 million, in aggregate, higher than what was budgeted for the current fiscal year. He reviewed Citizens' budget process and company policy as it relates to a capital variance for a business unit. He reported that three business units (Chilled Water, Water, and CWA Authority) accounted for the total Trust variance and were largely driven by timing and reimbursement differences. Mr. Jackson reported first on timing and reimbursements. He reported on the timing of work completed at ELANCO, which was anticipated to be spent in 2023 to close out the project, but carried into 2024. He next reported on the timing of certain CWA consent decree projects, originally planned to be completed in 2025, but advancing at a faster pace, allowing some of that work to be completed within fiscal year 2024. He then reported on Water's lead service line replacement project,

which was the largest driver for timing reimbursements. He shared that Citizens has been taking advantage of the ability to work alongside the city, as they perform work. Through this coordination with the City, Citizens is able to can save customers 10-20% in costs. He shared, that while it is an increase in the current year budget, in the long term it is a benefit to our customers, and cost recovery is anticipated. Mr. Jackson then reported on capital variances driven by other cost increases. The first he shared was related to the consent decree cost increase and the second was for corrosion inhibitors.

As a result, Mr. Jackson recommended that the Board consider and approve a proposed resolution to increase the capital expenditure budget for fiscal year 2024, noting that both Chilled Water and Water increases exceed the 15% threshold. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the resolution set forth below. Mr. Appel's vote in the affirmative is hereby noted for the purpose of keeping accurate minutes, but his vote is not included in the recorded votes, per I.C. 5-14-1.5-3.5(i). The approved resolution is as follows.

**WHEREAS**, the Board of Directors for Utilities of the Department of Public Utilities (the "Board") of the City of Indianapolis (the "City") doing business as Citizens Energy Group ("Citizens Energy Group" or "Citizens"), in its capacities as Trustee of the Energy Public Charitable Trust and the Water Public Charitable Trust, owns and operates a chilled water district cooling system (the "District Cooling System") and a water utility (the "Water Utility") serving customers in and around the City and is vested by Indiana Code 8-1-11.1 with the exclusive government, management, regulation, and control of the District Cooling System and the Water Utility; and

**WHEREAS**, on September 27, 2023, the Board approved the Citizens Energy Group Fiscal Year 2024 Budget and 2023-2028 Forecast (the "FY2024 Annual Budget and Forecast"), including annual capital budget amounts to be allocated to the District Cooling System and Water Utility of \$25,392,000 and \$57,231,000, respectively; and

**WHEREAS**, Citizens Policy Release # 2029, effective July 27, 2020, provides in part that after approving annual capital budgets as to the total dollars to be allocated to each business unit, further Board approval is required upon circumstances indicating the "potential to exceed by more than 15% the annual total dollar amount allocated for capital project per business unit"; and

**WHEREAS**, management has briefed the Board on the total amount of capital expenditures projected to be incurred in FY2024 by the District Cooling System and the Water Utility, including expenditures incurred to support growth and as part of lead service line replacement and other public improvement projects, that will result in the potential to exceed the annual total dollar amount previously allocated for capital projects to the District Cooling System and the Water Utility by \$4,602,000 or 18.1% and \$22,770,000 or 39.8%, respectively (collectively the "FY2024 Capital Budget Variances"); and

**NOW THEREFORE, BE IT RESOLVED BY THE BOARD that:**

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

**SECTION 2.** Based on management's report and presentation, the Board hereby finds that (a) there is a need for a greater total dollar amount to be allocated for capital projects to the District Cooling System and the Water Utility than that previously approved based on the FY2024 Annual Budget and Forecast; and (b) the use and expenditure of those funds, as contemplated by this Resolution, is in the public interest and will benefit the beneficiaries of the Energy Public Charitable Trust and the Water Public Charitable Trust generally, including specifically the customers of the District Cooling System and the Water Utility.

**SECTION 3.** The FY2024 Capital Budget Variances are hereby approved.

**SECTION 4.** 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 these Resolutions, including but not limited to, approval of the FY2024 Capital Budget Variances, 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 5.** 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 Resources.

**SECTION 6.** 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 7.** These Resolutions shall be in full force and effect from and after its passage and execution.

**ADOPTED AND APPROVED** this 21 day of August 2024.

Thereafter, the Chair invited Mr. Harrison to present the report of the President. Mr. Harrison reported on operation activities affecting the energy, water, and wastewater utilities. He highlighted the addition of thermal service customers at Elanco and IU School of Medicine. He also highlighted the success of the Olympic swim trials, hosted in Indianapolis in June, noting Lucas Oil Stadium was air-conditioned by Chilled Water and Citizens Water supplied the 2 million gallons of water between the two pools.



Mr. Harrison next reported on the positive progression of the DigIndy 28-mile tunnel system. He shared that over 5 billion gallons of combined sewer overflows have been prevented from entering local waterways. He also shared Citizens has reached its milestone of planting 10,000 trees, which is a part of the 10,000 Trees Program designed to reduce overflows by using green infrastructure.

Next, Mr. Harrison shared on system improvement projects being funded through federal grant dollars and without cost to our customers. First, he highlighted the continued work of replacing customer-owned lead service lines with new materials. He then highlighted the improvements to the gas system through a PHMSA grant.

Thereafter, Mr. Harrison reported on savings for customers through financial means. Citizens Gas refunded about \$47.6 million of existing bonds resulting in a net present value savings of approximately \$5 million for our customers. He shared that in May, S&P upgraded both Westfield Water and Westfield Wastewater's debt rating from AA- to AA. The ratings favorably impacted interest rate pricing and resulted in approximately \$1 million of savings for each utility.

Next, Mr. Harrison highlighted a number of events Citizens employees participate in and partner with throughout the community. As a sponsor of Friends of the White River Annual Clean-Up, Citizens helped recruit volunteers and remove litter and illegally dumped debris from the banks of the White River. Citizens teamed up with the Indianapolis Fire Department (IFD) Class #89 to repaint more than 300 Citizens-owned hydrants in the IFD service district. Proceeds from this partnership help to pay the way for children to attend Hoosier Burn Camp. Finally, Mr. Harrison shared an update on the Yvonne Perkins Legacy Fund, which has been actively seeking and reviewing potential recipients that will improve lives in our communities through scholarships and grants. He reported that in June 2024, the board awarded two grants and six scholarships.

Mr. Harrison concluded by highlighting the upcoming Community Resource Day at the Citizens General Office on October 5<sup>th</sup> from 10:00 a.m. to 1:00 p.m. He shared that this day is to connect with customers and provide support in preparation for the winter heating season.

Following Mr. Harrison's report, Ms. Karner was invited to present the Citizens Strategic Plan for 2025. Ms. Karner provided an overview of Citizens' planning process, including a review of the actions and recommendations adopted for FY2025. She commented that each of the recommendations aligned under Citizens' pillars for customer satisfaction, employee engagement, financial integrity, and performance excellence. Additionally, she reported that these actions include initiatives for establishing an outreach program that engages and supports diverse communities, developing and providing all employees a Total Rewards Statement (TRS), developing a sustainable and consistent process to close gaps in fee invoicing and collection, and migrating to a predominantly electronic payment business model.

The Chair recognized members of the public who were signed in and requested to address the board. Members of the public were residents of neighborhood adjacent to the Geist Reservoir who voiced concerns about the construction of a sea wall constructed by another neighborhood resident. The Chair thanked the members of the public for their comments.

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

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**ANNE NOBLES**

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Anne Nobles

Chair of the Board of Directors

Signed by:

*Joseph M. Perkins, Jr.*

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Joseph M. Perkins, Jr.

Assistant Secretary, Board of Directors