

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD SEPTEMBER 28, 2022**

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 at 8:40 a.m., EST, Wednesday, September 28, 2022, at the offices of Citizens, 2150 Dr. Martin Luther King, Jr. Street, Indianapolis, Indiana.

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

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; Mark C. Jacob, Vice President of Capital Programs and Engineering; 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; 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 Chair of the Board. 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 August 17, 2022.

The Chair certified that the subject discussed during the Executive Session of the Board held on September 28, 2022 was limited solely to the item set forth in the public notice of that session.

The Chair addressed management's request to approve the filing set forth in Fuel Cost Adjustment 67. Upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution:

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 67 of \$0.81113 to be effective November 1, 2022 subject to approval by the Indiana Utility Regulatory Commission is hereby approved.

The Chair also addressed management's request to approve the filing set forth in Gas Cost Adjustment 155. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the following resolution:

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 155 for September, October and November 2022 is hereby approved and ratified. 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 2022 in accordance with the terms of the Cause No. 37399-GCA 75 Order and the Order in Cause No. 37399-GCA 155, which was approved by the IURC in August 2022.

Next, the Chair invited Ms. Hicks to provide a report of the Compensation and Finance Committee (the "Committee"). Ms. Hicks reported that the Committee reviewed WTW's Executive Compensation Benchmarking Analysis (the "Analysis") for fiscal year 2023. She noted that the recommendations, as presented to the Board, reflect input from Willis Towers Watson, Mr. Harrison, and the Committee, which aims to improve Citizens' competitive position for retaining executive talent despite the lack of long-term incentives. Additionally, Ms. Hicks invited Mr. Wathen to review Citizens' compensation philosophy and provide highlights of the Analysis for fiscal year 2023. Likewise, she invited Ms. Whitney to provide remarks concerning the proposed Short-Term Incentive Pay (STIP) Framework for fiscal year 2023. Ms.

Whitney noted that the proposed STIP framework has been enhanced to include the four pillars of Citizens' strategic plan: Customer Satisfaction, Employee Engagement, Financial Integrity, and Performance Excellence, to give all employees line of sight to our customers. Ms. Hicks then presented 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:

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 changes in the base pay and other compensation for officers 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 a competitive benchmarking analysis for certain executive positions within Citizens Energy Group; and

WHEREAS, on September 21, 2022, Mr. David A. Wathen of Willis Towers Watson ("WTW") presented to the Committee the executive compensation benchmarking analysis for fiscal year 2023 and proposed fiscal year 2023 compensation adjustments; and

WHEREAS, the Committee indicated that it would take the information in the analysis under advisement in setting executive compensation for the fiscal year 2023 beginning on October 1, 2022; and

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 of Citizens Energy Group 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, by Memorandum dated September 28, 2022, 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 — Item 1: Fiscal Year 2023 Base Pay Recommendation and Item 2: Short Term Incentive Recommendation for CEO (supported by the September 21, 2022 WTW Executive Compensation Benchmarking Analysis, Exhibit “A”, and the Proposed FY2023 Compensation Increases, Exhibit “B”) and Item 3: Recommendation of Short Term Incentive Pay (STIP) Framework (Exhibit “D”) for FY2023.

NOW, THEREFORE, BE IT RESOLVED BY THE COMPENSATION AND FINANCE COMMITTEE (the “Committee”) OF 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 (“WTW”) Executive Compensation Benchmarking Analysis for fiscal year (“FY”) 2023, dated September 21, 2022 (a copy of which is attached hereto as Exhibit “A”) and the WTW Proposed Executive Compensation Increases for FY2023 based on input from the President & CEO and the Committee, dated September 28, 2022 (a copy of which is attached hereto as Exhibit “B”), the Committee recommends that the Board adopt by Resolution the compensation set forth in Exhibit “C” for each of the listed officers for fiscal year 2023 beginning October 1, 2022.

SECTION 3. The Committee, having considered the necessary and appropriate measures for inclusion in the STIP Framework for FY2023 for officers, recommends to the Board that it adopt the financial trigger and performance measures (overall customer satisfaction, safety, cost containment, and performance excellence) set forth in Exhibit “D”.

Ms. Hicks next acknowledged that the Committee was satisfied with the proposed budget and forecast for fiscal year 2023 for Citizens Energy Group and CWA Authority, Inc. (as outlined in the Citizens Energy Group and CWA Authority, Inc. Fiscal Year 2023 Budget and 2022-2027 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 2023 Budget and 2022-2027 Forecast.

Ms. Hicks also reported that the Committee recommends for approval to the Board the customer benefit distribution for 2023. Upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution:

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 2023.

The Chair then invited Mr. Jackson to provide a financial report. Mr. Jackson reported that current income projections are in line with the previous month's report.

Mr. Jackson next reported on and requested approval of the proposed Disposition of Funds – Estimated for Fiscal year Ended September 30, 2023 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, 2023 (attached as Exhibit “E”).

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

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Anne Nobles, Chair
Board of Directors

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Michael D. Strohl, Assistant Secretary
Board of Directors