

**MINUTES OF THE JOINT MEETING  
OF THE BOARDS OF DIRECTORS OF  
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.  
HELD MAY 15, 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 8:30 a.m., EST, Wednesday, May 15, 2024, at the offices of Citizens, 2150 Doctor Martin Luther King, Jr. Street, Building 1B, Indianapolis, Indiana.

Board members present at the meeting: Anne Nobles (Chair), Daniel C. Appel, Moira M. Carlstedt, Jeffrey E. Good, Christia Hicks, Jose Martinez, Maria M. Quintana, and Nichole C. Wilson. J.A. Lacy 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; J.P. Ghio, Vice President of Energy Operations; Mark C. Jacob, Vice President of Capital Programs and Engineering; Sabine E. Karner, Vice President and Controller; 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; Jeffrey Willman, Vice President of Water Operations; Jennifer Bailey, Director of Treasury; Korlon Kilpatrick II, Director of Regulatory Affairs; Bridget O'Connor, Director of Government Affairs and Regulatory Policy; Shannon Stahley, Director of Corporate and Public Affairs; Laura O'Brien, Manager of Corporate and Public Affairs. .

Also present was Brad Sims with Channel 16 News.

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 February 29, 2024.

Next, the Board of Directors of Citizens (the "Citizens Board") considered the minutes of its previous Special Meeting. Upon a motion duly made and seconded, the Citizens Board unanimously approved the minutes of the Special Meeting of the Citizens Board held on April 17, 2024.

Shortly thereafter, the Chair addressed management's request to approve the filing set forth in Gas Cost Adjustment 162. 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 162 for June, July and August 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 June, July and August 2024 in accordance with the terms of the Cause No. 37399-GCA 75 Order and the Order in Cause No. 37399-GCA 162, which will be approved and ratified by the IURC in May 2024.

The Chair also addressed management's request to approve the filing set forth in Fuel Cost Adjustment 70. 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 proposed fuel cost adjustment ("FAC") rate in Cause No.41969-FAC 73 of \$0.48502 to be effective May 1, 2024, subject to approval by the Indiana Utility Regulatory Commission is hereby approved and ratified.

Next, the Chair invited Mr. Perkins to present on an electronic meeting policy. Mr. Perkins cited the Indiana Code that outlines the provisions of participation in electronic meetings. He then went on to provide four main highlights of the proposed written policy to the Board. Following discussion, and upon a motion duly made and seconded, the Board unanimously approved the following resolution:

WHEREAS, P.L. 88-2021 (HEA 1437), SEC. 5 (the "Act"), amended the Indiana Open Door Law (Ind. Code ch. 5-14-1.5), effective April 20, 2021, to prescribe requirements by which members of the governing body of a public agency of a political subdivision may participate in a meeting by any electronic means of communication;

WHEREAS, a member of the governing body may participate by any means of communication that: (i) allows all participating members of the governing body to simultaneously communicate with each

other; and (ii) except for a meeting that is an executive session, allows the public to simultaneously attend and observe the meeting; and

WHEREAS, the Act requires the governing body to adopt a written policy establishing the procedures that apply to a member's participation in a meeting by an electronic means of communication and it may adopt procedures that are more restrictive than the procedures established by Ind. Code §5-14-1.5-3.5(d); and

WHEREAS, the Board of Directors is a governing body of the Department of Public Utilities of the City of Indianapolis as set forth in Ind. Code § 8-1-11.1-1(a) and under Ind. Code

§8-1-11.1-3(c)(11) has the power to make all rules and bylaws customary in private corporations for their own conduct of business necessary for the proper government and supervision of the utilities under its control, which rules, bylaws and policies shall be subject to the approval of the Board of Trustees for Utilities ("Board of Trustees"):

NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS:

Section 1. (a) The provisions of the Act, including definitions, apply to this Resolution.

(b) This Resolution shall be known as the "Electronic Meetings Policy" of the Board of Directors and applies to the Board of Directors, any committee appointed directly by the Board of Directors, and their respective "members."

Section 2. (a) Subject to Sections 3 and 5, any member may participate in a meeting by any electronic means of communication that: (i) allows all participating members of the governing body to simultaneously communicate with each other; and (ii) other than a meeting that is an executive session, allows members of the public who attend in person to, observe the meeting.

(b) A member who participates by an electronic means of communication: (i) shall be considered present for purposes of establishing a quorum; and (ii) may participate in final action only if the member can be seen and heard subject to the restrictions set forth in Section 5.

(c) All votes taken during a meeting at which at least one member participates by an electronic means of communication must be taken by roll call vote.

(d) The electronic means of communication will be made available only to members of the Board of Directors, but the public attending the meeting of the Board of Directors or committee in person will be able to see and hear the member participating remotely.

Section 3. (a) At least five (5) members of the Board of Directors, and 50% of the members of any committee, must be physically present at a meeting at which a member will participate by means of electronic communication.

(b) A member may attend no more than two (2) meetings of the Board of Directors by electronic communication during a calendar year, unless the member's absence is due to:

- (1) military service;
- (2) illness or other medical condition;
- (3) death of a relative; or
- (4) an emergency involving actual or threatened injury to persons or property.

(c) Provided that a committee on which a member serves holds at least three (3) meetings during a calendar year, a member may attend no more than one (1) meeting of a committee on which they serve by electronic communication during a calendar year, unless the member's absence is due to:

- (1) military service;
- (2) illness or other medical condition;
- (3) death of a relative; or
- (4) an emergency involving actual or threatened injury to persons or property.

Section 4. The minutes or memoranda of a meeting at which any member participates by electronic means of communication must:

- (1) identify each member who:
  - (A) was physically present at the meeting;
  - (B) participated in the meeting by electronic means of communication; and
  - (C) was absent; and
- (2) identify the electronic means of communication by which:
  - (A) members participated in the meeting; and
  - (B) confirm that members of the public attending the meeting in person were able to observe the meeting if the meeting was not an executive session.

Section 5. No member of the Board of Directors or a committee may participate by means of electronic communication in a meeting at which the Board of Directors or committee may take final action to:

- (1) adopt a budget;
- (2) make a reduction in personnel;
- (3) approve rates and charges for services or impose or increase a fee;
- (4) approve changes to terms and conditions of utility services;
- (5) impose or increase a penalty; or
- (6) exercise the Board of Directors' power of eminent domain.

Section 6. (a) If an emergency is declared by the governor under Ind. Code § 10-14-3-12 members are not required to be physically present for a meeting until the emergency is terminated.

(b) During the pendency of the emergency, members may participate in a meeting by any means of communication provided that:

- (1) at least a quorum of the members participate in the meeting by means of electronic communication or in person;
- (2) the public may simultaneously attend and observe the meeting unless the meeting is an executive session; and
- (3) the minutes or memoranda of the meeting must comply with Section 4 of this Resolution.

(c) All votes taken during a meeting at which at least one member participates by an electronic means of communication must be taken by roll call vote.

Section 7. This Resolution shall be effective from and after adoption by the Board of Directors and approval of the foregoing Electronic Meetings Policy by the Board of Trustees.

Adopted this 15<sup>th</sup> day of May 2024.

The Chair then invited Mr. Good to provide a report from the Audit and Risk Committee (the “Audit Committee”). Mr. Good reported that Ms. Bailey updated the Audit Committee on the status of enterprise risk management (“ERM”) including the list of top 20 risks and watchlist. He noted the prior year’s ERM top eleven (11) risks remained the same from the prior year, although there was some movement in the risks ranked in the twelve (12) through nineteen (19) categories. Mr. Good reported among the top-rated risks were supply chain interruptions, economic downturn, and the inability to retain qualified personnel. Some risks that increased were the ability to increase efficiencies across business units, major IT system failure, and government restrictions placed on natural gas.

Mr. Good also reported that the Audit Committee received a report from Mr. Leavitt concerning updates for the current year’s audit plan and two other projects, noting the plan remains on track for timely completion. Mr. Good reported that Mr. Leavitt presented a summary of revised audit standards that were recently issued by the revised audit standards board that become effective in January 2025.

Mr. Good reported that Ms. Karner presented the Fiscal Year (“FY”) 2024 Second Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc., noting that overall, there were not any material or overly unusual, unexpected financial results in the second quarter. Noteworthy items included updates to the various regulatory filings described in the footnotes as well as the disclosures of \$47.6 million in debt by the gas utility and the execution by CWA of a forward refunding commitment of \$126.9 million, both of which occurred after the balance sheet date. Combined income for the quarter was just over \$85 million, which was approximately \$7 million higher than the same period in the prior year and all operating units reported positive net income.

Mr. Good further reported that the external audit firm, Deloitte and Touche LLP (“Deloitte”), completed its quarterly review of the financial statements with no concerns, errors, or deficiencies to report to the Audit Committee. He reported that the Audit Committee was then presented with an overview by Deloitte of their proposed 2024 audit plan including their timeline. In summary, Mr. Good indicated the plan was well summarized and the Audit Committee was satisfied as to the scope of the plan.

The Chair inquired as to any questions. Receiving none and upon a motion duly made and seconded, the Board unanimously approved the FY 2024 Second Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc.

Next, the Chair invited Ms. Hicks to provide a report of the Compensation and Finance Committee (the "Committee"). Ms. Hicks reported that Mr. Wathen presented a report from Willis Towers Watson concerning the Executive Compensation Philosophy, including an overview of the current components for Citizens Energy Group. Ms. Hicks informed the Board that following its review and discussion, the Committee affirmed the Executive Compensation Philosophy for Citizens Energy Group.

Ms. Hicks reported that Ms. Bailey presented an opportunity concerning the Indiana Department of Administration ("IDOA"). She reported that Citizens and IDOA have been working together to evaluate ways to support the State Archives Expansion Project. IDOA has requested that Citizens relocate a 36-inch water transmission main. Ms. Hicks reported that management is requesting authority to execute up to \$3 million in new debt capital through a forgivable loan issued by the Indiana Finance Authority ("IFA").

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

RESOLUTION of the Board of Directors (the "Board") for Utilities of the Department of Public Utilities of the City of Indianapolis ("Citizens"):

Recitals

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 to finance such 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 (the "2024 Project") must be made to the water system that Citizens holds and operates (the "Water System") 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, Citizens may find it beneficial and convenient to issue its Series 2024 First Lien Bonds (as defined below) to the Indiana Finance Authority (the "IFA") pursuant to IC 13-18-13 and such Series 2024 First Lien Bonds would in such instance or instances evidence one or more loans of proceeds (the "Loan" or "Loans") from the IFA to the Authority; and

WHEREAS, Citizens desires to issue its City of Indianapolis, Indiana Water System First Lien Revenue Bonds, Series 2024 (the "Series 2024 Water Bonds" or "Series 2024 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 First Lien Master Water Indenture, and the Bond Documents (as defined herein) in order to finance the 2024 Project, fund a debt service reserve, if necessary, and pay for related costs in connection therewith; and

WHEREAS, all bonds issued in accordance with and pursuant to this Resolution shall be limited obligations of Citizens, payable solely as provided in the applicable Indenture and in the 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. Indiana Code 5-1.2 and Indiana Code 4-4-10.9 and 11, et. seq, each as amended from time to time.

“Bond Documents” means, as context requires and in the forms of documents previously utilized in connection with the issuance of bonds for the Water System in 2023, which are (a) the Series 2024 Bonds, (b) the Series 2024 Supplemental Indentures, (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 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.

“Indenture” means the First Lien Water Master Trust Indenture dated as of July 1, 2011 (the “First Lien Master Water Indenture”), between Citizens and U.S. Bank National Association.

“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, Inc. including ownership of 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.

“Series 2024 Supplemental Indenture” or “Series 2024 Supplemental Indentures” means each of the supplements to the applicable Indenture providing for the issuance of any Series 2024 Bonds.

“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 the Issuer 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 First Lien Master Water Indenture from Pledged Funds and Net Revenues of the Water System (as defined in the Water System 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 Water Indenture.

**SECTION 4. SERIES 2024 BONDS. 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 \$3,000,000 and sufficient to: (i) fund the costs of the Series 2024 Project; (ii) fund a debt service reserve for the Series 2024 Water Bonds, if necessary; (iv) 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%) 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 September 30, 2025, and will be issued as First Lien Bonds. The Series 2024 Water Bonds shall be subject to redemption in the manner determined by an Executive Officer. As determined by an Executive Officer all or any portion of (a) the Series 2024 Water Bonds may be issued to the IFA in order to evidence the Loan made therefor as described in the applicable Loan Agreement, or (b) the Series 2024 Water Bonds may be sold pursuant to the provisions of Indiana Code 5-1-11, subject to the applicable provisions thereof, but in any case shall be sold with an underwriter's discount not to exceed one percent (1%) of the aggregate principal amount of the Series 2024 Water Bonds (excluding original issue discount or premium). The Series 2024 Water Bonds shall be secured by the related Indenture. Notwithstanding anything in this Resolution to the contrary, Citizens may issue the Series 2024 Water Bonds in more than one series or sub-series.

**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 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 Bonds and any other document, agreement or certificate deemed necessary by any Executive Officer or bond counsel to properly issue the Series 2024 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) select and approve the counterparty to any applicable Continuing Disclosure Agreement.
- (iii) 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 Bonds or any Pledged Funds and Net Revenues pledged under the applicable 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 Bonds pursuant to the provisions of the Indenture, such reserve may be funded from proceeds of such Series 2024 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 Bonds or the Pledged Funds and Net 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 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 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 15<sup>th</sup> day of May 2024.

The Chair then invited Ms. Quintana to provide a report from the Wastewater Resources Executive Committee and the Executive Committee of CWA Authority. Ms. Quintana reported that the Wastewater Resources Executive Committee and the Executive Committee of CWA Authority met on April 17, 2024. She stated Ms. Karner presented a financial update regarding the utility and reported net earnings to be roughly on target despite a material decrease in revenues from industrial customers. She reported that reductions in O&M, primarily for chemicals, help to offset the revenue variance. As we continue to report, EBITDA for the wastewater utility will not be sufficient to cover capital expenditures and will likely not improve until the work to fulfill the consent decree is completed. She reported projected long-term debt outstanding of \$2 billion, which is a ratio of 78% debt in capital structure compared to a target ratio of 40% debt.

Ms. Quintana reported on system growth for residential, non-residential, and wholesale customers and the impact any growth or loss could have on rates. She further reported on the Deep Rock Tunnel (“DRT”) project, indicating the capture of over five billion gallons of combined sewer overflows, which is a major milestone. Ms. Quintana then highlighted 62 of 64 project milestones were completed as of January 2024 in relation to the Consent Decree Metrics and the Dig Indy Consent Decree project. Lastly, she reported a brief update on the Septic Tank Elimination Program (“STEP”), which has reached a connection rate of 98% with an annual investment of \$6 million and 300 homes per year.

In conclusion of her report, Ms. Quintana stated the final agenda item was a review of the Wastewater Executive Committee charter and upon review of that charter, there were no recommended changes.

Next, the Chair invited Mr. Jackson to provide a financial report. Mr. Jackson reported that not much has changed since the Board met in February. Mr. Jackson further reported all business units’ projected Net Income and EBITDA (earnings before interest, taxes, depreciation, and amortization) metrics were trending either at or above budget for the full year. On a consolidated basis, Net Income and EBITDA

are projected to be at \$12.8 Million and \$12.6 Million above budget for the full year. Mr. Jackson remarked on the interest rates on other income and how it has favorably impacted our projections. He further expounded on other drivers of the projections, such as operations and maintenance. He then provided brief remarks on upcoming financing activities and concluded that all debt service and capitalization covenants are in compliance. Upon inquiry from the Board, Mr. Jackson explained our ability to refinance debt will be limited for another six (6) to eight (8) months, given the current interest rate environment. Due to our position of being well-rated, Mr. Jackson does not anticipate any issues with the ability to access the market for new debt, as needed.

Upon no further questions, Mr. Jackson continues to report on the recommendation to terminate the IWC Pension Plan. Mr. Jackson states this recommendation is being made on behalf of the Citizens Benefits Committee. He then continued to provide some background stating when Citizens acquired the water business in 2011, the water employees were moved to the existing Citizens Retirement Plan, and the IWC Pension Plan was frozen with the intent to terminate, once it was fully funded. Mr. Jackson stated that through careful planning and investing, the IWC Pension Plan is now fully fund and able to be terminated. Upon inquiry from the Board, Mr. Jackson explained how the termination may be received by the employees and how the payouts would work.

With no further questions and upon a motion duly made and seconded, the Citizens Board unanimously approved the following resolution:

**WHEREAS**, the City of Indianapolis, by and through its the Board of Directors (“Board”) for Utilities for its Department of Public Utilities, doing business as Citizens Energy Group (“Citizens”) sponsors the Pension Plan for Collectively Bargained Indianapolis Water Employees (“IWC Pension Plan”);

**WHEREAS**, Citizens has delegated to the Citizens Energy Group Benefits Committee (“Committee”) the authority to act as the administrator of the IWC Pension Plan and oversee the plan’s operations on behalf of Citizens;

**WHEREAS**, in 2011, after assuming the IWC Pension Plan from WASCO, LLC through the transaction by which Citizens acquired the rights from WASCO’s subsidiary, Veolia Water Indianapolis, to manage the City of Indianapolis’s waterworks operations, Citizens froze the IWC Pension Plan, amended the Citizens Energy Group Retirement Plan (“Retirement Plan”) to cover the waterworks employees, and has since provided waterworks employees with pension accruals for their service with Citizens under the Retirement Plan;

**WHEREAS**, Citizens has desired to terminate the IWC Pension Plan since assuming it in 2011, and has been preparing for doing so by taking measures to improve the plan's funding status and, ultimately, attain the status of being fully funded on a termination basis;

**WHEREAS**, in keeping with Citizens' desire to terminate the IWC Pension Plan at an appropriate time, the Committee has carefully monitored whether circumstances, including the plan's funding status, made it appropriate for Citizens to terminate the IWC Pension Plan, considering input from its actuarial (Mercer), financial (Capital Cities), and legal (Faegre Drinker) advisors and discussing the matter at meetings;

**WHEREAS**, the Committee, after extensive evaluation of the matter, has concluded that it is an appropriate time to terminate the IWC Pension Plan, has formally recommended to the Board that Citizens do so, and has explained the reasons for its recommendation, and the Board has, in turn, fully considered the Committee's recommendation.

**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.** The Board has determined to terminate the IWC Pension Plan; and

**SECTION 2.** The Citizens Energy Group Benefits Committee is delegated the authority to (i) establish the effective date of the Board's decision to terminate the IWC Pension Plan, taking into account all notice and other obligations that must occur before the effective date of the plan's termination, (ii) adopt any plan amendments necessary or appropriate to implement the IWC Pension Plan's termination, (iii) engage such advisors or service providers necessary or appropriate to implement the IWC Pension Plan's termination, and (iv) take all other actions it deems necessary or appropriate to implement and complete the Board's decision to terminate the IWC Pension Plan and carry out the purposes of these Resolutions.

ADOPTED AND APPROVED this 15<sup>th</sup> day of May 2024.

The Chair then invited Mr. Harrison to present the report of the President. Mr. Harrison began by reciting Citizens' renewed vision to the Board, which was primarily developed by the next generation of leaders within the organization. "We will fulfill the Promise of the Trust to provide essential utility services for our customers and communities, maintain the lowest possible rates with sound financial management, and create the greatest long-term benefit through a unique business structure."

Mr. Harrison reported a slight decrease in thermal energy sales, noting a 5% decrease due to warmer weather. He highlighted the natural gas utility experienced a 19% increase in consumption, pointing out this increase is attributed to the electric power plants using more natural gas as the fuel conversion continues. He also noted a market decrease in natural gas prices seems to indicate we are in more of a stable period. Mr. Harrison then thanked the gas operations team and Mr. Ghio for improving the

performance of the storage assets in Greene County. He explained one of the benefits of additional storage allows Citizens to store more low-cost gas, which translates into lower utility bills for customers.

Mr. Harrison then confirmed some of the previously provided data regarding the DigIndy Tunnel System. He also highlighted the Lead Service Line Replacement program, and that Citizens is working diligently to apply for and seek other funding to help expedite the replacement of lead service lines. He indicated while Citizens does not own the lead service lines, Citizens will be a champion in terms of trying to replace those lead service lines for customers.

Mr. Harrison went on to discuss the LEAP program, noting that the project still continues, and Citizens is working to provide water to Lebanon Utilities on a wholesale basis for the LEAP district. He indicated multiple paths forward are being reviewed with the agreement that this project will have no financial impact to Citizens' customers.

Mr. Harrison reported on "forever chemicals" also known as Per- and Polyfluoroalkyl Substances ("PFAS"). He advised that on April 10, 2024, the Environmental Protection Agency ("EPA") issued an announcement finalizing the National Primary Drinking Water Regulation ("NPDWR") for "Forever Chemicals" a group of PFAS compounds that have been found to be harmful to humans. While Indianapolis is not a hub of manufacturing for PFAS or PFAS-containing products, there is a tangential impact on our environment due to the distribution and use of such PFAS-containing products. Mr. Harrison assured Citizens has previously conducted monitoring for PFAS through EPA's Unregulated Contaminant Monitoring Rule 5 ("UCMR5"). He stated Citizens has detected some PFAS compounds in the source water supply; however, nothing was detected in the raw water or finished water that approaches any of the MCLs established in the NPDWR.

Mr. Harrison briefly highlighted that Citizens continues to meet with its customer advisory groups. He also highlighted that Citizens continues to invest in the Community as outlined in his report. He briefly outlined some of the affordability elements by month, such as, in January: Warm Heart Warm Home, in February: Budget Billing and End of the Moratorium, and in March: Winter Assistance Fund and Paperless Billing.

Mr. Harrison reported on some awards and events that have taken place. On April 26, 2024, Citizens participated in the 10,000 trees program in collaboration with Keep Indianapolis Beautiful with the City of Indianapolis. Another event was the Fire, Police and Deputy Sheriff Awards luncheon on April 30<sup>th</sup>, 2024, which included some stories from first responders. The Recognition of Service Excellence (“ROSE”) Awards took place on May 9, 2024. This program honors and awards Indiana’s hospitality employees. Lastly, Mr. Harrison announced the latest event still to come is The Greatest Spectacle in Pickleball, which mimics the greatest spectacle in racing. This event is scheduled to take place from May 17<sup>th</sup> through May 19<sup>th</sup>, 2024, to benefit the Warm Heart Warm Home Foundation. Mr. Harrison concluded his report with the capital improvement summary, indicating this is a new reporting structure to help the Board understand the capital side of things to give a total picture.

Upon inquiry from the Board, Mr. Harrison called upon Jodi Whitney to discuss another award received at the Mayor Diversity Luncheon. Ms. Whitney stated Citizens was nominated for four (4) awards for the Mayor’s annual diversity program and Citizens received and was awarded the Choice Employer Award. She stated the components of that award related to being a part of the good wages initiative, which is at least \$18 per hour for all full-time employees, as well as providing healthcare, having diversity and inclusion training, having organizational training, and one other component.

Following Mr. Harrison’s report, the Board posed an unrelated question regarding recent articles surrounding the risks involved with low head dams. More specifically, regarding a dam that failed just south of 16<sup>th</sup> Street, the Board inquired as to what type of dam was installed as a replacement. Mr. Jacob addressed the Board’s concern advising that a “rock ram” was installed in that instance. Mr. Jacob further explained this decision was based on research that low head dams are risky and most utilities are not building them anymore. Upon further inquiry from the Board, Mr. Jacob explained that a low head dam is a dam that sits just under water level that dams most of the water but allows some water to flow over the top.

Thereafter, the Chair invited Bridget O’Connor to summarize the activities of the 2024 Indiana General Assembly legislative session. Ms. O’Connor reported on the general assembly makeup consisting of the Senate and the House of Representatives. She then reported on certain logistics of 2024, such as, it

was a non-budget session, there were a total of 739 bills introduced (72 bills were passed out and 171 bills were signed), and the schedule commenced on January 8<sup>th</sup> and concluded on March 8<sup>th</sup>. She reported that the role of governmental affairs is to prevent passage of policies that may harm the Trust. If there is a need, she would advocate for legislation that may benefit Citizens. Overall, Government and External Affairs was able to achieve both goals during the last session.

Ms. O'Connor reported primarily on the water legislation that affects the utility. She first discussed the Senate Enrolled Act ("SEA") 5 Lead Service Line Replacements and stated that this legislation allows a utility access to make a lead service line replacement for an unresponsive property owner. She further reported that provisions of this bill apply to those utilities with an Indiana Utility Regulatory Commission ("IURC") approved lead service line replacement program for a dwelling other than a multi-family residential property and a utility's lead service line replacement program as an opt-out option. Ms. O'Connor reported that if an owner does not enroll in the program offered by the utility or is unresponsive to a request for access, then the utility (after 45 days) may enter the property to make the replacement of the customer portion of the lead service line without obtaining an access agreement. She further stated that if an owner opts out of the program, or if they verbally deny access, then the utility will not make this replacement. Citizens believes SEA 5 will save time, money, and overall program implementation by allowing utilities to make as many replacements as possible by eliminating the need to remobilize to get those homes that did not originally sign up for the program. SEA 5 did pass the Senate and House unanimously and is current law.

Ms. O'Connor then reported on SEA 247, which outlines that a utility may submit an expedited 30-day filing for acquisition of an offered utility that is less than \$3 million. She explained the intent of this bill is to streamline acquisitions of the small failing systems to promote consolidation and regionalization. She went on to state this has been a priority of the State over the last decade.

Ms. O'Connor reported that overall, this was a light legislative session with respect to energy policy. While there was some legislation that passed that touched on utility issues, none had a direct or negative impact on Citizens. Other items passed through this legislative session were House Enrolled Act ("HEA") 1163, HEA 1206, HEA 1278, and HEA 1306.

Ms. O'Connor reported on passed and failed legislation from the 2024 session that had implications for our industry in general. Upon inquiry from the Board, Ms. O'Connor further discussed SEA 5 and that it gives liability protections to the utility and the tenants currently occupying the residents, but it does not speak to the future owners of that property if that property was transferred. In conclusion, Ms. O'Connor stated there is often proposed legislation regarding amending what needs to be communicated when transferring property, but there has been resistance to that type of legislation by the real estate industry.

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



FOR INCLUSION IN MINUTE BOOK OF BOARD OF DIRECTORS:

Boards of Directors of  
Citizens Energy Group and CWA Authority, Inc.  
Executive Session  
May 15, 2024

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") met in Executive Session at 9:32 a.m. EST, Wednesday, May 15, 2024, at 2150 Doctor Martin Luther King, Jr. Street, Indianapolis, Indiana, pursuant to Indiana's Open Door Law follows:

For discussion of strategy with respect to the initiation of litigation that is either pending or has been threatened in writing pursuant to Indiana Code 5-14-1.5-6.1(b)(2)(B)

To discuss information and intelligence intended to prevent, mitigate, or respond to the threat of terrorism pursuant to Indiana code 5-14-1.5-6.1(b)(13).

Public notice of the meeting was properly made on May 9, 2024.

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

Present from Citizens Energy Group: 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; J.P. Ghio, Vice President of Energy Operations; Mark Jacob, Vice President Capital Programs and Engineering; Sabine E. Karner, Vice President and Controller; 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; Jennifer Bailey, Director of Treasury; Ann McIver, Director Environmental Stewardship; Scott Miller, Director of Information Security; Dear Schramm-Satayathum, Senior Legal Counsel; Ali Zadeh, Manager of Operational Technology

The Chair opened the executive session with a quorum at 9:32 a.m. and adjourned the session at 10:40 a.m.

The Board hereby certifies that no subject matter was discussed in the executive session other than the subject matter that was both specified in the public notice and referenced in these minutes.

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**ANNE NOBLES**  
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Anne Nobles, Chair  
Board of Directors

Signed by:  
*Joseph M. Perkins, Jr.*  
Attest: **Joseph M. Perkins, Jr., Assistant Secretary**  
Board of Directors