

**MINUTES OF THE JOINT MEETING  
OF THE BOARDS OF DIRECTORS OF  
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.  
HELD SEPTEMBER 25, 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 8:00 a.m., EST, Wednesday, September 25, 2024, at the offices of Citizens, 2020 North Meridian Street, Indianapolis, Indiana.

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

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; John Lucas, Vice President of Information Technologies; 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 A. Willman, Vice President of Water Operations; Jennifer Bailey, Director of Treasury; Korlon Kilpatrick, Director of Regulatory Affairs; Melissa Lawson, Director of Shared Field Services; and Sara Mamuska-Morris, Director of Market Development.

Also present at the meeting was David Wathen, Managing Director, Rewards of Willis Towers Watson (“WTW”).

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 21, 2024.

The Chair certified that the subjects discussed during the Executive Session of the Citizens Board held on September 25, 2024, were limited solely to the items set forth in the Public Notice, attached as Exhibit “A.”

The Chair addressed management’s request to approve the revised terms and conditions for water utility services. Upon a motion duly made and seconded, the Citizens Board unanimously ratified and approved the following resolution:

**WHEREAS**, pursuant to IC 8-1-11.1-3(c)(9), the Board of Directors for Utilities of the Department of Public Utilities of the City of Indianapolis, as trustee of a public charitable trust for the water system, d/b/a Citizens Water (the “Board”) has authority to prescribe rules for service subject to the approval of the Indiana Utility Regulatory Commission (the “Commission”); and

**WHEREAS**, pursuant to IC 8-1-11.1-3(c)(9), rules for service of municipally owned utilities owned and operated by the Board “shall be in effect only after the rules and rates have been filed with and approved by the commission and... only after determining compliance of the rates of service with IC 8-1.5-3-8 and IC 8-1.5-3-10”; and

**WHEREAS**, the existing “Water Service Tariff Rates, Terms and Conditions for Water Service within Marion County, Indiana” (the “Terms and Conditions for Service”) of Citizens Water were placed into effect on April 20, 2016, pursuant to the Order of the Commission in Cause No. 44644; and

**WHEREAS**, management of Citizens Water has conducted a review of Rule 6 of the Terms and Conditions for Service relating to disconnection and reconnection of service, and has recommended to the Board that it approve revised terms and conditions for water utility service based on that review that allow for the reduction of water pressure as a possible alternative to full disconnection of service as long as the customer contacts Citizens Water within fourteen (14) days; and

**WHEREAS**, based upon its consideration of the foregoing information, the Board now finds that it is advisable to revise the Terms and Conditions for Service as set forth in Attachment A hereto to allow for the reduction of water pressure as a possible alternative to full disconnection of service as recommended by management; and

**WHEREAS**, the Board authorizes and directs the officers and management of Citizens Water to file with the Commission all filings necessary to seek approval of the revised Terms and Conditions for Service, and take such additional action as deemed necessary and desirable, in support of the Commission granting the relief set forth above.

**NOW, THEREFORE, BE IT RESOLVED BY THE BOARD OF DIRECTORS**, the attached revised schedule of rates and charges and terms and conditions for water utility service are hereby approved by this Board, subject to approval thereof by the Commission under IC 8-1-11.1-3(c)(9).

Adopted this 25<sup>th</sup> day of September 2024.

Next, the Chair invited Ms. Hicks to provide a report from 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 2025, which reflects input from the President and CEO and the Committee. She also noted that the Analysis reflects the affirmed philosophy, then invited Mr. Wathen to provide remarks concerning the Analysis. Thereafter, Ms. Hicks, on behalf of the Committee, recommended Board approval for the modeled compensation adjustments, effective October 1, 2024. Following discussion, and upon a motion duly made and seconded, the 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 necessary changes in the base pay and other compensation for executives employed by the Department of Public Utilities of the City of Indianapolis d/b/a Citizens Energy Group based upon the recommendations of the Compensation and Finance Committee of the Board (the “Committee”) and its consideration of an analysis of executive compensation performed by a third-party compensation expert and other factors, such as the current level of compensation in the primary market for executive talent necessary to perform the duties of each executive position within Citizens Energy Group; and

**WHEREAS**, in evaluating the compensation for executive officers employed by Citizens Energy Group, the Board considers compensation available under the Short Term Incentive Pay (“STIP”) Plan and has determined that target total direct compensation (base salary + STIP) for

executive officers should be targeted to be in line with the market 50th percentile as determined by an outside compensation consultant; and

**WHEREAS**, compensation under the STIP Plan is available to both executives and other employees of Citizens Energy Group if an annual financial trigger is met and STIP compensation is based on Citizens Energy Group's performance comparative to certain target measures, including customer satisfaction, employee engagement, financial integrity and performance excellence; and

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

**WHEREAS**, on September 25, 2023, Mr. David A. Wathen of WTW presented to the Committee in its public session the executive compensation benchmarking analysis for fiscal year ("FY") 2025 as well as proposed executive compensation increases for FY 2025, based on the analysis and input from Jeffrey A. Harrison, President & Chief Executive Officer (Exhibit "B"); and

**WHEREAS**, by Memorandum dated September 25, 2024, Jeffrey A. Harrison, President and Chief Executive Officer ("CEO"), and Jodi L. Whitney, Vice President for Human Resources and Chief Diversity Officer, requested consideration and approval of the FY 2025 base pay adjustments, including revisions to the STIP opportunities for FY 2025 (Exhibit "C"); and

**WHEREAS**, also on September 25, 2024, Ms. Whitney, presented to the Committee an overview of the STIP Framework for FY 2025 (Exhibit "D"); 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 performing a functional role should be general industry, (c) the targeted market pay position should be the market 50<sup>th</sup> percentile, and (d) the targeted market pay component should be target total direct compensation; and

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

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

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

**SECTION 2.** After consultation with WTW, and review of the WTW Executive Total Rewards Benchmarking Analysis for FY 2025, dated September 25, 2024 (a copy of which is attached hereto as Exhibit "A") and the modeled WTW proposed pay adjustments for FY 2025 based on input from the President & CEO, dated September 25, 2024 (a copy of which is attached hereto as Exhibit "B"), and the Committee's recommendations to the Board, the Board hereby

adopts the compensation set forth in Exhibit “C” for each of the listed officers for FY 2025 beginning October 1, 2024.

**SECTION 3.** Based on the recommendation of the Committee and WTW, the Board approves the revisions to the STIP opportunities for FY 2025 set forth in Exhibit “C.”

**SECTION 4.** Based on the recommendation of the Committee and management regarding the STIP Framework for FY 2025, the Board hereby adopts the Framework for the STIP Plan set forth in Exhibit “D.”

Ms. Hicks then acknowledged that the Committee reviewed and discussed the proposed budget and forecast for fiscal year 2025 for Citizens Energy Group and CWA Authority, Inc. (as outlined in the Citizens Energy Group and CWA Authority, Inc. Fiscal Year 2025 Budget and 2024-2029 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 2025 Budget and 2024-2029 Forecast.

Next, the Chair recommended for approval by the Board the customer benefit distribution for 2025. 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 2025.

Thereafter, Mr. Jackson provided a financial report which focused on the fiscal year 2024 financial outlook for the Trust. He reported that for the FY 2024 projection, Net Income and EBITDA (earnings before interest, taxes, depreciation, and amortization) continue to be better than budget. He also reported that there were no material changes since reporting to the Board in August and affirmed that all debt service and capitalization covenants are in compliance.

He continued by reporting on and requesting approval of the proposed Disposition of Funds – Estimate for Fiscal Year Ended September 30, 2025, to be filed with the city of Indianapolis. Upon a motion

duly made and seconded, the Board unanimously approved the Disposition of Funds – Estimate for Fiscal Year Ended September 30, 2025, attached as Exhibit “F”.

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

Exhibit F

MEMORANDUM

BUSINESS UNIT: Senior Vice President & Chief Financial Officer  
 TOPIC: Disposition of Funds – 2025  
 FROM: Craig L. Jackson  
 DATE: 9/25/2024  
 ACTION:  
 REQUESTED: Disposition of Funds – Estimate for Fiscal Year Ended September 30, 2025

**UTILITY DISTRICT - CITY OF INDIANAPOLIS  
 CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.  
 DISPOSITION OF FUNDS - ESTIMATE FOR FISCAL YEAR ENDED SEPTEMBER 30, 2025  
 (IN THOUSANDS OF DOLLARS)**

**TO OPERATIONS**

Cost of Goods Sold	\$	178,428	
Operations & Maintenance Expenses		332,463	
Property Tax		51,831	
Other Taxes		2,076	
		564,798	\$ 564,798

**TO DEBT RETIREMENT AND CAPITAL EXPENDITURES**

Debt Repayment	\$	291,695	
Estimated Additions to Property:			
Distribution Plant, Mains, Services, Meters, and Regulators	\$	217,327	
Underground Storage		3,574	
Environmental, Consent Decree & STEP		70,911	
Structures and Other Equipment		103,775	
		395,587	\$ 395,587
			\$ 1,252,080

FOR INCLUSION IN MINUTE BOOK OF BOARD OF DIRECTORS:

Boards of Directors of  
Citizens Energy Group and CWA Authority, Inc.  
Executive Session  
September 25, 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 7:45 a.m. EST, Wednesday, September 25, 2024 at 2020 North Meridian Street, Indianapolis, Indiana, pursuant to Indiana’s Open Door Law to discuss a job performance evaluation of individual employees pursuant to Indiana Code § 5-14-1.5-6.1(b)(9).

Public notice of the meeting was properly made on September 18, 2024.

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

Present from Citizens Energy Group: Jeffrey A. Harrison, President and Chief Executive Officer.

The Chair opened the executive session with a quorum at 7:45 a.m. and adjourned the session at 8:00 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.

DocuSigned by:

**ANNE NOBLES**

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Anne Nobles, Chair  
Board of Directors

Signed by:

*Joseph M Perkins Jr.*

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Attest:

Joseph M. Perkins, Jr., Assistant Secretary  
Board of Directors