

**MINUTES OF THE JOINT MEETING
OF THE BOARDS OF DIRECTORS OF
CITIZENS ENERGY GROUP AND CWA AUTHORITY, INC.
HELD MAY 28, 2025**

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 10:00 a.m., EST, Wednesday, May 28, 2025, at the offices of Gleaners Food Bank, 3737 Waldemere Ave., Suite 200, Indianapolis, Indiana.

Board members present at the meeting were: Maria M. Quintana (Chair), Daniel C. Appel, Jeffrey E. Good, J.A. Lacy, Eric Scroggins, and Nichole C. Wilson. Christia Hicks attended this meeting electronically via Microsoft Teams. Moira M. Carlstedt 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; Sabine E. Karner, Vice President and Controller; John F. Lucas, Vice President of Information Technology; Sara J. Mamuska-Morris, Vice President Capital Programs and Engineering; Joseph M. Sutherland, Vice President of Regulatory and External Affairs; Jodi L. Whitney, Vice President of Human Resources and Chief People Officer; and Jeffrey A. Willman, Vice President of Water Operations; Jennifer Bailey, Director of Treasury; Debi Bardhan-Akala, Director of Regulatory Affairs; Korlon Kilpatrick, Director of Regulatory Affairs; Scott Miller, Director of Information Security; Bridget O'Conner, Director of Government Affairs and Regulatory Policy; Shannon Stahley, Director of Corporate and Public Affairs; Philip J. Zbojniewicz, Director of Accounting Services; and Camela Johnson, Senior Manager of Accounting.

Also present at the meeting was Brad Sims (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 19, 2025.

The Chair next acknowledged the newest Board Member, Eric Scroggins, elected on May 20, 2025, by the Citizens Energy Group Board of Trustees. She recognized Mr. Scroggins for his 17 years of experience as Vice President and General Counsel at Allison Transmission. Upon a motion duly made and seconded, the Board unanimously approved the motion to amend the appointment of members to the executive and standing committees for 2025.

The Chair addressed management's request to approve the filing set forth in Gas Cost Adjustment 166. 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 166 for June, July and August 2025 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 2025 in accordance with the terms of the Cause No. 37399-GCA 75 Order and the Order in Cause No. 37399-GCA 166, which will be approved by the IURC in May 2025.

The Chair also addressed management's request to approve the filing set forth in Fuel Cost Adjustment 77. 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 77 of \$0.56649 to be effective May 1, 2025 subject to approval by the Indiana Utility Regulatory Commission is hereby approved and ratified.

Next, the Chair invited Mr. Good to provide a report of 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 that there were changes within the top 20 risks compared to 2024, but supply chain disruptions, talent retention, and data issues in systematic programs risks remain at the top based on the current environment. He also reported that the Audit Committee received a report from Mr. Leavitt concerning internal audit activities

for the second quarter, noting that Internal Audit's planned audit projects for the current audit plan remain on track for timely completion. The Audit Committee reviewed an updated Internal Audit Charter, which now reflects the revised standards recently issued by the International Internal Audit Standards Board.

Mr. Good also reported that Ms. Karner presented to the Audit Committee the Fiscal Year ("FY") 2025 Second Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc. in which there were no material changes for the quarter. He noted that all operating units reported positive net income, with overall combined net income just over \$84 million, comparable to the \$85 million from the same quarter the prior year. 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 2025 Second Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc., and recommended approval to the Board. At the conclusion of the report, Mr. Good informed the Board that the Audit Committee reviewed the Committee charter and had no changes to recommend to the Board.

Upon a motion duly made and seconded, the Board unanimously approved the FY 2025 Second Quarter Financial Statements for Citizens Energy Group and CWA Authority, Inc.

The Chair invited Mr. Appel to provide a report of the Compensation and Finance Committee (the "Compensation Committee") on behalf of Ms. Hicks. Mr. Appel reported that the Compensation Committee welcomed Mr. Scroggins to the Compensation Committee. Then, after the approval of the minutes, the Compensation Committee received a report from Mr. Wathen presented a report from Willis Towers Watson concerning the Executive Compensation Philosophy, including an overview of the current components (Market for Talent, competitive Market Pay Reference point, Targeted Market Pay Position, and Targeted Market Pay) for Citizens Energy Group. Mr. Appel informed the Board that following its review, the Committee affirmed the Executive Compensation Philosophy for Citizens Energy Group. At the conclusion of the report, Mr. Appel informed the Board that the Compensation Committee reviewed the Committee charter and had no changes to recommend to the Board.

Next, Ms. Quintana provided a report from the Energy Resources Executive Committee (the "Energy Committee"). Ms. Quintana reported that the Energy Committee received a financial update

from Mr. Zbojniec. She reported that the FY 2025 gas net earnings are projected to be better than budget and that EBITDA (earnings before interest, taxes, depreciation, and amortization) for the gas utility is sufficient to cover capital expenditures. She also reported that long-term debt outstanding for the gas utility is at \$81 million, which represents a ratio of 15 percent debt in its capital structure compared to the target ratio of 10 percent debt. Ms. Quintana next reported that net earnings for both steam and chilled water were better than expected, primarily driven by reduced maintenance expenses. She noted that EBITDA for both the steam utility and the chilled water utility is not sufficient to cover its capital expenditures. She further reported that the long-term debt outstanding for the steam utility is at \$85 million, a ratio of 60 percent debt in the capital structure compared to a target ratio of 30 percent debt. Likewise, the long-term debt outstanding for chilled water is at \$7 million, a ratio of 5 percent debt in the capital structure compared to a target ratio of 10 percent.

Next, Ms. Quintana reported that the Energy Committee received an operational update from Mr. Ghio. Ms. Quintana reported on conditions for a Steam rate case due to increased capital expenditures from both inflation and additional reliability needs, and loss of load from two major customers. She also provided an update on the contract with Reworld, a renewable steam supplier. Based on the current unfavorable economics of the existing contract with Reworld compared to the market and the changes in steam demand, the steam business is negotiating a new contract. Ms. Quintana next provided an overview on winter supply, reporting that the supply assets were expanded, which created greater flexibility. She shared that the natural gas team used the expanded portfolio to better optimize supply. She highlighted that for a fifth year in a row, a new record withdrawal was set again from the storage fields. Actual winter commodity costs came in at \$2.89 per dekatherm compared to a projected \$3.02 prior to the winter. She completed her report by discussing new contract agreements with AES, as the current contracts expire in July 2026. She concluded her report sharing the Energy Committee completed its annual review of the Energy Committee Charter and had no changes to recommend to the Board.

Next, Mr. Appel provided a report from the Wastewater Resources Executive Committee (the “Wastewater Committee”) on behalf of Ms. Carlstedt. Mr. Appel reported that the Wastewater Committee met on May 20, 2025, and received a financial report from Ms. Johnson concerning the financial highlights

for the wastewater utility. He reported that for the current FY 2025, net earnings are projected to be slightly unfavorable to budget. An unfavorable revenue variance is largely offset by expense reductions in O&M and depreciation. Interest income is unfavorable due to lower interest rates. EBITDA was insufficient to cover capital needs, which is expected to change upon completion of the consent decree later this year. She then concluded that the wastewater utility's outstanding long-term debt stood at \$1.9 billion, exceeding the target debt ratio.

Next, Mr. Appel reported that the Wastewater Committee heard a report on capital projects from Ms. Mamuska-Morris and an operational report from Mr. Willman. He shared the successes reported on the Septic Tank Elimination Program (STEP) and reviewed the systematic completion of projects in high priority areas. He then went on to provide an overview of the Deep Rock tunnel operations, which is almost at the end of the construction phase. He celebrated this project remains under budget and ahead of schedule. Mr. Willman reported on the 108% growth over a 12-year period. He highlighted work from the Citizens Wastewater team, which focused on quality and continuous improvement.

Next, Mr. Appel highlighted the Industrial Pretreatment Program, providing an overview of this history of various programs and discussing upcoming changes to the program. He concluded his report sharing the Wastewater Committee completed its annual review of the Wastewater Committee Charter and had no changes to recommend to the Board.

Next, Mr. Lacy provided a report from the Water Resources Executive Committee (the "Water Committee"). Mr. Lacy reported that the Water Committee received a financial update from Ms. Johnson. Ms. Johnson reported that the current FY 2025 projection anticipates water net earnings to be unfavorable to budget, primarily due to increases in O&M and depreciation expenses. She reported that the utility's capital expenditures will be sufficient to cover its earnings before interest, taxes, depreciation, and amortization (EBITDA) largely due to a function of recovering in the current period infrastructure costs incurred in prior periods. She concluded that the utility's projected long-term debt outstanding of \$700 million represents a ratio of 57 percent debt in its capital structure, compared to the target ratio of 40 percent debt.

Next, Mr. Lacy reported that the Water Committee heard a report on capital projects from Ms. Mamuska-Morris and an operational report from Mr. Willman. Mr. Lacy provided an update on the Lead Service Line Replacement Program. He reported that Citizens is ahead of many municipalities, using a proactive approach to replacing the lead service lines in the system. As of mid-May there have been over 3,400 lead service lines replaced. Next, Mr. Lacy provided an update on the Citizens Lebanon Water Supply project. He highlighted the timeline for the delivery of 25 million gallons per day (MGD) of water to Lebanon and updated the committee that the project is currently on schedule.

Next, Mr. Lacy highlighted the Citizens Lean and Six Sigma (CLASS) projects for Water Production and Distribution. After hearing an overview of 15 different projects, Mr. Lacy celebrated the success of the tangible results the team is seeing and the continued efforts of the organization towards the value of continuous improvement. He also reviewed the March 27, 2025, water main break and shared that the Citizens team was able to restore service within five hours. He reported that the forensic review is still in progress. He concluded his report sharing the Water Committee completed its annual review of the Wastewater Committee Charter and had no changes to recommend to the Board.

Then the Chair invited Mr. Jackson to provide a financial report. Mr. Jackson reported that the Trust as a whole is within $\frac{1}{2}$ of a percent of its net income and EBITDA target for FY 2025. He then focused his presentation on two areas that had changed since February: operations and maintenance (O&M) expenses and an increase in interest charges. He also reported that all debt service and capitalization covenants are in compliance, and there is sufficient liquidity (e.g., cash on hand, working capital, and access to our lines of credit) across all business units. Mr. Jackson next discussed the capital expenditure projections, which he reported as in line with the budget for FY 2025. He stated there would likely be a reduction in capital expenditures for water, largely attributable to the timing of the Citizens Lebanon Water Supply project. He reminded the Board the cost for the Citizens Lebanon Water Supply project is funded by the non-recourse loan through the Indiana Finance Authority (IFA). He concluded his report by highlighting various bond market updates, including Citizens Thermal's recently completed bond offering.

Thereafter, the Chair invited Mr. Harrison to present the report of the President and CEO. Mr. Harrison began his report by highlighting operational updates. He celebrated natural gas system performance over the winter and how the improvements made to the natural gas storage provide a benefit to our customers through maintaining low rates. Next, he reported that the DigIndy tunnel system is expected to be fully operational before the end of this year. Then he highlighted the Citizens Water to Lebanon Supply project, sharing key milestone dates are being met and the project is on schedule. Mr. Harrison reported the Lead Service Line Replacement program has successfully replaced over 3,100 customer-owned service lines. He concluded his operational update by reviewing the successes of the water system's performance.

Next, Mr. Harrison reported that the team has increased the languages available for the Utilities Unite publication to nine total languages, supporting the safety and affordability efforts for customers. He also celebrated the 17th Annual Sharing the Dream event at the Municipal Gardens. He concluded his report by sharing about recent and upcoming events.

Following Mr. Harrison's report, the Chair invited Ms. O'Connor to summarize the activities of the 2025 Indiana General Assembly legislative session. She reported on primary utility bills that passed out of the General Assembly that Citizens followed in the water, wastewater, and energy industries, and included a brief overview for Senate Bill ("SBA") 426 - Water Utility Infrastructure; SB 459 – Indiana Department of Environmental Management ("IDEM") Agency Bill on Water and Wastewater; and House Bill ("HB") 1459 – Water and Wastewater Utility Asset Management. Key themes for the energy legislation included Small Modular Reactors ("SMRs"), a new nuclear generation technology; ensuring adequate generation for mega-load projects with a heavy focus on reliability; and local control of siting

Ms. O'Conner concluded her report to the Board by reviewing two of Governor Braun's Executive Orders ("EO") specific to state-wide water planning and energy planning. She discussed EO 25-63 – Statewide Water Inventory and Management Plan; and EO 25-50 – Assessing Natural Gas Supplies.

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

Signed by:

Maria Quintana

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Maria M. Quintana, Chair
Board of Directors

Signed by:

Joseph M Perkins Jr

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