September 29, 2018

ACEC Citizens Energy Group Committee
ACEC Indiana

Reference: Meeting

Subject: ACEC CEG Committee Meeting

Citizens Energy Group Committee,

A meeting was held in Indianapolis, Indiana on September 24, 2018 12:00 pm (EST) at Citizens Energy Group’s Langsdale 1B Operations Conference room office on the above referenced subject.

The following items were discussed during the meeting:

1. Dave Mohler opened up the meeting with introduction of attendees and a safety moment. WORKER FATIGUE TIP: “Be sure to review your company policy and monitor worker fatigue of field staff when doing field work. Maximum hours worked in typically 14 hours and field staff needs an opportunity to rest for minimum of 4 hours if work requires night shift. Safety first monitoring weather conditions and adapt as needed to maintain safe work.”

2. Mark Jacob gave an CEG update on various topics:
   a. Announced Matt Thomas, PE, as the new Director of Plant Engineering including:
      i. All Fleet Facilities
      ii. All Facilities Engineering
      iii. All Treatment Plants; Steam, Chilled Water, Water and Wastewater
   b. Proposed higher level of interaction between ACEC and CEG:
      i. Legislative Policies and upcoming initiatives for 2019 session
      ii. CEG funding initiatives including rate increases
   c. Discussed CEG budgets;
      i. Total CEG revenue is approximately $900m-$1.0b/year
      ii. Operating budgets is about $250m/year
      iii. CEG has a big emphasis in cutting operating budget through improved efficiencies
      iv. Announced Consent Decree is approximately $400m under budget
      v. CEG is 100% rate payer funded now
vi. Final Consent Decree rate increase is proposed for this fall. (3yr plan)

vii. Discussed current overall sewer system integrity
    1. $80-$100m/year budget
    2. Discussed the 2 major recent downtown failures
    3. A Rapid downtown condition assessment was completed
    4. Focusing on continued consistent improvements throughout the system vs. big spending now and future drop off

viii. Water Utility discussion.
    1. Was previously in default of loans
    2. Had poor water supply
    3. Overall integrity was poor including approximately 700 main breaks per year
    4. CEG has new vision for water supply
       a. $50m-$100m/year anticipated spending
       b. Fall Creek Intake
       c. White River Intake
       d. Geist Reservoir
       e. Reduced main breaks last year to just over 500
       f. 100% rate funded
       g. No plans in next 5 years to increase water rates

5. Gas Utility and Chilled Water discussion
   a. Approximately $30m/year in investments and improvements
   b. Working on various upgrades system wide

3. Andy Lutz discussed the Project Manager Manual
   • Goal = Single Vision of what Project Management Is for CEG PM’s by standardizing processes and procedures
   • All CEG “silos” have different processes and procedures for project management
   • Has been working on “Unifier” initiatives and the PM manual has been on the back burner. Would like to now be more proactive getting in completed.
   • Final completion goal is end of 2018-2019 fiscal year
   • CEG would value ACEC’s input
      i. Table of contents for the PM manual was distributed to the committee. Highlighted areas were discussed as possible items to focus on
   • Finalizing the manual will lead into standardizing PM training for appropriate CEG staff

4. Dave Mohler discussed ideas for upcoming lunch and learns which ACEC committee members could provide to CEG staff
   • Committee agreed to think about potential topics and get back to the committee

5. Tim King and Matt Hobbs discussed Workforce Development
   • Concept of increasing ACEC and CEG communication and involvement for outreach of Industry events such as National Engineer’s Week
   • Broadening outreach to other schools
   • CEG is open to considering any suggestions ACEC would propose
6. Chris Gale discussed Indiana Water Infrastructure Task Force
   • Goal: Submit a report with the findings so legislators can take into
     upcoming legislative session to assist with funding sources & invest into
     infrastructure. Redefine what affordability means to rate base?
   • Committee had first meeting
     i. Discussed historical funding sources
   • 2nd meeting will address upcoming needs
   • There will be 4 total meetings

7. Next ACEC/CEG meeting was proposed to be between Thanksgiving and
   Christmas

8. Upcoming events;
   • ACEC Diversity Fair (October 24th, 2018)

9. Meeting adjourned

Sincerely,

Steve Chastain
Business Development Manager
CTL Engineering of Indiana, Inc.

File: September 24, 2018 Meeting