Community Involvement Within Your Organization

Purdue Road School
March 8, 2016

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Vice President | Indiana Office Leader

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Vice President | Capital Programs & Engineering and Quality Systems
Agenda

• Safety Moment
• Benefits of Corporate Community Involvement
• Getting Started
• Citizens Energy Group - EBCs
Safety Topic

Accident Causes & Prevention

- Accident – an unplanned and unwanted event which may or may not cause injury and/or property damage
- 88% of accidents - caused by unsafe acts
- 10% of accidents - caused by unsafe conditions
Top Business Goals For Community Involvement

- Enhance reputation
- Improve ability to recruit employees
- Improve ability to retain employees
- Improve access to new markets
- Improve customer retention
- Attract new customers
- Improve risk management
- Reduce waste in business operations
- Secure a sustainable supply chain
- Attract new investors
- Develop innovative new products and services
- Reduce employee health costs

236 US Based Medium and Large Companies - Boston College Center for Corporate Citizenship - 2015
Importance of Community Involvement

- It’s the right thing to do...
- Employee Engagement
- Employee Development
- Attracting the Best Employees
Employee Engagement

- Engaged employees are fully involved in, enthusiastic about and committed to acting in a way that benefits their organization
- Engagement boosts operating income, increases employee productivity, lowers turnover risk, provides a greater ability to attract top talent and leads to higher total returns
- Provides a human face to your company
Employee Engagement

• 45% of employees who have volunteered with their company or co-workers are very satisfied with their jobs, compared to 30% who haven’t

• 89% - positive correlation between participation in volunteering and employee engagement

• Highly engaged employees are twice as likely to be top performers, miss fewer days of work and are likely to stay with the organization longer
Employee Development

• Volunteering Develops Range of Skills
  – Communication
  – Teamwork
  – Networking (internal and external)
  – Leadership
Employee Development

- Employees lead and champion volunteer programs
- 83% reported volunteering developed leadership skills
- 78% reported development of communication skills
- Employees work across departments to develop relationships
Attracting the Best Employees

• 65% of employees entering job market today expect to make a social and environmental impact through work

• 44% would be willing to take a pay cut to do so

• 86% of Millennials and 85% of Boomers believe it is important that their work involve “giving back.”

• “Employees don’t stay with a company because of benefits. It’s the long-term relationship-building that attracts people to stay.” Timberland CEO Jeff Schwartz
How to Get Started

• Build relationships in your community
  – Where are the needs?
• Get employees on board
  – What is important to staff?
• Create a custom volunteer plan
  – Draw upon business strengths.
Ideas for Your First Event and Program

- Team based walks and races
- Host a drive... for food, coats, books, etc.
- Broaden your impact by getting customers/clients involved
- Recognize, reward and communicate
A Leveraged Success

• 2014 - HNTB 100 year anniversary competition
• 100 hour community service competition between offices
• Partnership with Citizens Energy Group
• Determined the need
• We were shocked by the results!
Leveraged Success

- Over 1,700 hours of community service
- $5,000 prize turned into $32,000 for Second Helpings
The Citizens Public Charitable Trust

- Established 1887
- Operated since then as a public charitable trust
- For the benefits of the inhabitants of Marion County
- Does not operate the Trust passively
- Devise and implement strategies to build and renew the businesses of the Trust
- Keeping the Trust competitive and adding value creates greatest long term benefit for the beneficiaries of the Trust
Citizens Energy Group and CWA Authority Inc.

A Public Charitable Trust

- **Energy**
  - Citizens Gas
  - Steam
  - Chilled Water

- **Water**
  - Indianapolis (area) Water (1M customers)
  - Indianapolis (area) Wastewater (CWA)

- **Shared Services**
  - Corporate Support Services
  - Shared Field Services

- **Citizens Resources**
  - Kinetrex Energy
  - Oil Exploration & Production
  - Citizens Gas of Westfield
  - Citizens Southern Madison
  - Westfield Water
  - Westfield Wastewater
Infrastructure Challenges We Face

• Annually - 6 Billion gallons of sewage was flowing to the city's streams and rivers
• $1.9 B Combined Sewer Overflow (CSO) Consent Decree
• Aging infrastructure and expansion needs
• Aging workforce
• Capital investments are a constant need
• Bring / keep our Water, Wastewater and Energy Utilities at acceptable / affordable performance levels
• Large and diversified water system
• Significant septic tank elimination project (STEP) needs
• Future water supply

Objectives:
1. Serve Peak
2. Reduce Peak Primarily Lawn Irrigation

HNTB
Workforce Challenges We Face

- **Total Management**: 132
  - Eligible to Retire Now: 13
  - Eligible to Retire within 5 years: 30
  - Eligible to Retire within 10 years: 42

- **Management Employees**: 21
  - Eligible to Retire Now: 4
  - Eligible to Retire within 5 years: 10
  - Eligible to Retire within 10 years: 11

All CP&E Employees

Management Employees
Our Mission
To contribute to the affordability and quality of life in our communities
• Safe, reliable services
• Low rates and sound financial management
• Build and renew the Trust
• Good stewards of the environment

Our Key Work Systems
Obtain & Deliver Gas – Produce and Deliver Steam – Produce and Deliver Chilled Water
Obtain, Treat and Deliver Water – Collect and Treat Wastewater

Our Pathways

CUSTOMER SATISFACTION
Needs Assessment – Service Commitment – Knowledgeable Employees – Relationships
Options – Assistance

OPERATIONAL EXCELLENCE
Safety – Technology – Reliable Systems – Continuous Improvement – Innovation

COMMUNITY COLLABORATION
Economic Development – Neighborhood Revitalization – Supplier Diversity
Environmental Leadership – Philanthropy – Education – Volunteerism

EFFICIENCY AND VALUE
Synergies across all businesses – Corporate Shared Services – Shared Field Services
Construction Planning and Engineering

FINANCIAL INTEGRITY

EMPLOYEE ENGAGEMENT
Leadership – Meaningful Work – Inclusion – Learning & Professional Development – Teamwork
Communication – Recognition

PERFORMANCE MANAGEMENT
Strategic Objectives – Key Performance Indicators – Trust Scorecard – Divisional Scorecards
Initiatives – Action Plans – PPR/DPF

Our Vision
We will fulfill the promise of the Trust to serve our customers and communities with unparalleled excellence and integrity.

Our Values
Quality – Teamwork – Safety – Diversity – Integrity

Engineers....
III. Professional Obligations
2. Engineers shall at all times strive to serve the public interest.
   a. Engineers are encouraged to participate in civic affairs; career guidance for youths; and work for the advancement of the safety, health, and well-being of their community.
Community Involvement Statistics and Benefits

- Spreads the word about your values and intentions
- Get to know our customers and helps build stronger relationships with them
- Getting to know our vendors and build stronger relationships with them
- Over 50% of 18-26 year olds “would prefer to work for a company that offers volunteer opportunities
- Over 50% of those surveyed said a company’s work on charitable causes helped influence them to accept job
- Most consumers have a better outlook on businesses that give to a charity that they care about
- Americans gave over $350 billion in 2014 (a 7.1% increase from 2013)
- It is estimated total charitable contributions will total between $21 and $55 trillion between 1998 – 2052
- Over 98% of high net worth households give to charity
- 63% of high net worth donors cite “giving back to the community” as a chief motivation for giving
- In 2015 there were over 1.5 million charitable organizations in the United States
Part of the Community

### Employees Pave the Way for Another Successful United Way Campaign in 2014

- 2014 United Way Campaign Key Events and Highlights:
  - Citizens United Way Golf Outing concluded on June 21 at the Woodwind Golf Club in Westfield.
  - Pre-Campaign Corn Roast at the Workers’ facility on August 19.
  - The Kick-Off Banquet at the Langside and Harry A. White on September 1.
  - The Kick-Off Banquet at the Wayne G. on September 10.
  - Hamlet and Hot Dog Cook Out at the Corporate Office on September 17.
- 70 employees that received the parking spot of their choice.
- Over $50,000 in props were awarded to winning employees through the ticket draw.
- A total of 150 prizes were awarded for first or second donors who contributed a minimum of $100 to the campaign.

### Citizens Partners with IFD Recruits in “Badges to Burn Camp” Hydrant Project

#### Project Intended to Help Citizens and IFD Give Back to Burn Survivors and Community

Citizens Energy Group teamed up with the Indianapolis Fire Department (IFD) on October 15 to paint the town red and raise money for a good cause. Under the direction and supervision of Paul Docien, Director of Water Distribution, Citizens Water Distribution employees joined members of the IFD Recruit Class No. 101 in cleaning and repainting 150 Citizens-owned hydrants in the downtown Indianapolis area. Citizens also provided all of the paint, brushes and supplies needed from company’s current inventory.

The event, which is known as “Badges to Burn Camp”, is part of a requirement for all IFD recruit classes to collect, develop, interpret, and complete a community service project during their 22-week training.

### Help Three Local Families this Holiday Season through the Paul Riggins Giving Tree

As the upcoming holiday season draws near, Citizens looks forward to sharing in an annual company tradition of making a difference for those who are less fortunate. This year, the company will support three local families, led by the example of Paul Riggins. The project started on December 1st in 1992, when Paul roped off $50 for the outline of a tree, explaining that someone would love it and either it would remain untrimmed or it would be trimmed to a Christmas tree. The idea spread, and other employees started taking on roles, all with a common goal: to bring holiday cheer to the employees who have the ability to purchase some of the basic items they need for their families. The annual event is known as the Paul Riggins Giving Tree.

#### Many Thanks to our Employees Who Contributed to This Year’s United Way Campaign

This year’s United Way campaign was another one to put in the books. Multiple events were conducted throughout the week of August 10. The campaign kicked off with numerous events from Citizens’ offices in Langside and the Service Center, and our annual corn roast, which took place on Saturday, August 15.

### KRMNERT PARK

KRMNERT PARK

[Image of a park with text overlaid, possibly indicating a location or event related to the United Way campaign.]
Part of the Community

Citizens Helps Launch Groundwork Indy and Indy Do Day Project

Citizens Energy Group recently partnered with several other organizations to help launch Groundwork Indy, and make its first “Indy Do Day” community project. The project focused on transforming the area where Illinois Railway crosses the Central Canal, and entering a neighborhood gateway on the north west side of Indianapolis. The Groundwork Indy launch was conducted in conjunction with Indy Do Day, and was the culmination of a three-day public art, beautification and cleanup event.

The transformation project was conducted on October 1-3 and was the other organizations that joined Citizens in supporting Groundwork Indy and coordinating the event were Lacy Construction, Pacers Ice Cream, Summit Construction, the Indianapolis Museum of Art (IMA) and the Department of Public Works.

Groundwork Indy’s youth Green Team and volunteers filled newly placed planters with flowers and dug holes for planting new trees provided by Citizens and Lacy Construction. IAM volunteers also assisted a vibrant new mural by artist David Anderson.

Groundwork Indy officials stated the project would not have been possible without the coordination and support of Citizens.

They also relied on how they worked together.

Citizens Wins 500 Festival Mini-Marathon Pit Station Award Thanks to Volunteers

Thanks again to 83 plus employees, family members and friends who volunteered their time at this year’s 500 Festival Mini Marathon on May 2. While representing Citizens, the volunteers provided water to over 8,000 participants along the course.

Once again, the volunteer setup at the Citizens station at turn one of the Indianapolis Motor Speedway. In addition to operating our company on station, the volunteers helped the other stations, the Indianapolis Motor Speedway along the way. Thanks to their efforts and success in capturing the title of the Mini Marathon Pit Station, Citizens was named the 2010 winner of the 500 Festival Mini Marathon Pit Station Contest.

In addition to winning the traveling Pit Station Contest trophy, our volunteers were invited to sponsor a day at the Indianapolis Motor Speedway in 2011.

Controllership, Treasury and Regulatory Employees Donate School Supplies to IPS #14

Many thanks to the employees of Citizens Controllership, Treasury, and Regulatory Departments who recently contributed over $500 to purchase school supplies for students in grades K-4 at Washington Irving School #62 also known as Indianapolis Public School (IPS) 46.

The school supplies were delivered to Children’s Hospital IPS #14 on August 4, and this year employees’ third year donations have been directed to IPS #46 by the aforementioned turn one of the Indianapolis Motor Speedway along the way.

IPS #46 is also the school where Citizens employees participated in the school’s Reading Rocks (now program several years ago).

Please again to our employees who made donations to help the students at IPS #46, as well as those who contributed to the Easter Seals/Backpacks program.

Citizens Launches Community Financial Services

Citizens Energy Group recently launched an aggressive new community financial services program in 2010. The program’s goal is to provide affordable housing and access to affordable energy to lower-income Americans. The program includes:

- Community Financial Services: This initiative aims to provide affordable housing and energy assistance to lower-income Americans.
- Homeownership: Citizens Energy Group offers homeownership programs to help people purchase homes.
- Energy Efficiency: The program focuses on providing energy-efficient solutions for lower-income families.
- Education: Citizens Energy Group provides educational resources and programs to help individuals and families improve their financial literacy.

To learn more about Citizens Energy Group’s community financial services, visit the company’s website at citizens.com.

HNTB

HNTB is a global infrastructure firm providing innovative solutions in planning, engineering, construction management, and survey services. With a focus on transportation and water, the firm’s professionals are dedicated to making the world safer and smarter.

Citizens energy group™
Diversity

• Strengthening a diverse business community economically contributes to the overall economic growth of our markets.

• Minimum participation goals
  – 15% for Minority – Owned Businesses
  – 8% for Woman – Owned Businesses
  – 3% for Veteran – Owned Businesses

• In 2015, Citizens exceeded these goals with $128.6 million of spending with diverse suppliers:

<table>
<thead>
<tr>
<th>Eligible Expenditures</th>
<th>$364.2 million</th>
<th>% of Eligible Total</th>
<th>Supplier Diversity Goals</th>
</tr>
</thead>
<tbody>
<tr>
<td>MBE Expenditures</td>
<td>$63.4 million</td>
<td>17.5%</td>
<td>15%</td>
</tr>
<tr>
<td>WBE Expenditures</td>
<td>$49.8 million</td>
<td>13.7%</td>
<td>8%</td>
</tr>
<tr>
<td>VBE Expenditures</td>
<td>$15.4 million</td>
<td>4.2%</td>
<td>3%</td>
</tr>
<tr>
<td>Total MBE/WBE/VBE</td>
<td>$128.6 million</td>
<td>35%</td>
<td>26%</td>
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Sustainability

What the Engineer Said: The purpose of this white paper is to start the discussion for an outline of potential elements of an overall sustainability initiative or charter for Citizens Energy Group (CEG), which consist of green infrastructure projects, the use of sustainability rating systems, sustainable metrics, and coordination across CEG business units and potentially with partners outside the utility as well. Due to its recent integration of energy, water, and wastewater business units, CEG currently has an unprecedented opportunity to implement sustainable projects and initiatives to reduce capital costs, improve the natural environment, increase energy efficiency, and provide aesthetic benefits and reduced costs to its customers, within its unique characteristics and consolidated utilities and significant operational and capital programs. CEG has the opportunity to become a recognized leader in sustainability throughout the country.

What the CEO Said: “...it’s really about the EBC’s....The Environment, the Businesses, and the Community. A strong utility supports strong EBC’s and strong EBC’s make a strong utility.”

Environment: “...our efforts to sustain our environment are being achieved through unprecedented infrastructure investments in each of our utility systems.”

Business: “As we make wise long-term investments in our utility systems, we are sustaining our business through disciplined cost control efforts; sound financial and strategic planning; adherence to documented quality processes; and development of new businesses to support community investment activities”.

Community: “...promote development of a more sustainable community” (e.g. Winter wise, education, Earth Day, environmental clean up, day of sharing, sustainable neighborhoods, youth programs, etc.).
Citizens Scores it’s Vendors’ Community Philanthropy

Commitment to Community Investment

To the extent that your company captures community investment information, please complete the table to reflect your firm’s commitment to community investment.

<table>
<thead>
<tr>
<th>Percentage of pre-tax profits representing donations and contributions to qualifying charitable organizations (under section 501(c)(3) of the Internal Revenue Code) in the prior 12 months</th>
<th>Company Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>To the extent that employee volunteerism is formally tracked, enter the average number of volunteer hours per employee provided to qualifying charitable organizations (under section 501(c)(3) of the Internal Revenue Code) in the prior 12 months.</td>
<td>Company Response</td>
</tr>
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</table>
Strategies for Long Term Success

- Incorporate **Sustainability** – ‘EBC’s – Environment, Business, Community
- **Voice of the Customer**
- **Customer Affordability**
- **Safe, Affordable, Reliable** utility services
- **Partnerships** for Excellence in Research & Learning (PERL) – Partnerships with Purdue, IUPUI, Rose-Hulman, etc.

- **Vendor Partnerships** – Cost Controls, Innovation, Community Involvement
- **Economic Benefits** – Jobs
- **Peer City Collaboration** – Share experiences with other cities – Two way learning opportunities
- **Effective management** of the CSO Consent Decree - Our single biggest capital investment
Geist Deep Water Storage

- **Location:** Olio Road & Geist Reservoir
- **Property:** 74 Acre / 8 Acre Potential Plant Site
- **Quarry Depth:** 230 Feet
- **Geist Reservoir:** 6.7 Billion Gallons
- **Quarry Water Storage:** 3.2 Billion Gallons
- **Supply:** 20-25 MGD (Summer Supply)
- **Projection:** 10-15 Years System Growth
Combined Sewer Overflow Consent Decree Dashboard
(updated 03/07/15)

**Consent Decree Budget**
(2012 Dollars)
- $3.0 B
- $2.0 B
- $1.0 B
- Current
- Original

Consent Decree currently $330 M under budget

**Primary Consent Decree Projects**

- **White River Tunnel**
  - In design
  - Complete in 2021
  - One year ahead of schedule
  - 5 miles

- **Fall Creek Tunnel**
  - In design
  - Complete in 2025
  - Two years ahead of schedule
  - 4 miles

- **Lower Pogues Run Tunnel**
  - In design
  - Complete in 2021
  - One year ahead of schedule
  - 2 miles

- **Eagle Creek Tunnel**
  - In planning
  - Complete in 2019
  - On schedule
  - 2 miles

- **Pleasant Run Tunnel**
  - In planning
  - Complete in 2025
  - Two years ahead of schedule
  - 6 miles

- **Belmont AWT Plant**
  - Completed 2012
  - Upgraded to 300 MGD

- **Deep Rock Tunnel Connector and Pump Station**
  - In construction
  - Complete in 2017
  - On schedule
  - 8 miles

- **Southport AWT Plant**
  - In construction
  - Complete in 2017
  - On schedule
  - Upgrade to 250 MGD

**CSO Volume Removed**
(2012–2025)
The total volume of CSO prevented from entering Indianapolis waterways would fill Lucas Oil Stadium more than 650 times.

=10 Lucas Oil Stadiums (approximately 3250 million gallons)

From 2012–2025, Citizens will prevent 213.4 billion gallons (BG) of combined sewer overflows from entering Indianapolis waterways by implementing Consent Decree projects and by effectively operating and maintaining their treatment plants and wastewater system.

**Quick Links**
Follow these links to learn more about Consent Decree projects and programs.
- Overview 1
- DigIndy Tunnel System 2
- Deep Rock Tunnel Connector Pump Station 7
- Eagle Creek CSO Abatement Project 9
- Advanced Wastewater Treatment Plants 10
- Consent Decree Schedule 13
- Timeline of Key Consent Decree Dates 14
- Annual CSO Remaining 15
- Economic Impacts 16
- Strategies for Success 17
- Non-Project Programs and Requirements 18
Deep Tunnel System Components

Robbins Main Beam Tunnel Boring Machine
http://www.youtube.com/watch?v=J0YqpZCoYEQ
Deep Rock Tunnel Connector Pump Station Update

39’ Diameter

DRTC Tunnel Launch Shaft 18’ Diameter

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<th>FACT SHEET</th>
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<tbody>
<tr>
<td>• Pumps are “dry pit vertical centrifugal”.</td>
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<tr>
<td>• 3 pumps need 4,500 kilowatt – hours</td>
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<tr>
<td>• Deepest floor is almost 280 feet below the ground surface</td>
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<tr>
<td>• Cavern excavation produced over 16,000 cubic yards of rock</td>
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<tr>
<td>• Pump Station houses four (4) 30MGD pumps</td>
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<tr>
<td>• Each pump is rated at 2,000 horsepower</td>
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<tr>
<td>• Flow enters the Pump Station through a 72-inch diameter tunnel extending from the Screen &amp; Grit Shaft</td>
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<tr>
<td>• Pumps discharge into twin 42-inch diameter pipes</td>
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<tr>
<td>• Water is lifted over 300 feet before flowing into Southport AWT</td>
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PROJECT DESCRIPTION
The Deep Rock Tunnel Connector captures and conveys combined sewer overflows to the pump station. The core function of the pump station is to empty the tunnel system and deliver the flow to the Southport Advanced Wastewater Treatment Plant.

PROJECT STATS
• Project in construction
• Pump room is approximately 270 feet below grade
• Located at Southport Advanced Wastewater Treatment Plant
• Four main tunnel pumps for dewatering are each rated at 30 MGD
• Pump station firm capacity (with one pump out of service) of 90 MGD
• Project to be completed by December 31, 2017
Southport Advanced Wastewater Treatment Plant Update

- New screening and grit removal @ Headworks
- Evaluate need for pump station upgrades

- Convert ANS tanks to reverse flow
- New mixed liquor channel to convey flow to ONS
- Increase ONS capacity and rehab clarifiers

Projects: 1) Headworks 2) Secondary Expansion 3) Primary Clarifiers and 4) Wet Weather (UV) Disinfection

Contractor: Bowen Engineering Corporation
Bid Price: $87,584,040.00
Notice To Proceed Issued: March 27, 2014

- Add UV Disinfection for 150 MGD
- Rehab existing 60” ANS effluent line (now online)
Questions?