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

- Essential to achieving goal
- Contributes very much
- Contributes somewhat

- 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

HNTB
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 w/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

Consumption (MGD)

1-Jan 1-Feb 3-Mar 3-Apr 4-May 4-Jun 5-Jul 5-Aug 5-Sep 6-Oct 6-Nov 7-Dec
Workforce Challenges We Face

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

- Total Management: 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
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 conducted on June 21 at the Willow Creek Golf Club in Indianapolis
- Pre-Campaign Kick-off at the Waterway facility on August 19
- Chef-A-Thon at the Langsdale and Indy YWCA on September 19
- Chef-A-Thon at Waterway on September 20
- Hamburger and Hot Dog Cook-Out at the Corporate Office on September 21
- Ten employee trips winners will have the parking spot of their choice next year at the Langsdale and Corporate Office facilities
- Over $500 in prizes were awarded to winning employees through the activity
- Total of 150 Reuse kits were awarded for first year donations for all 2014 employees who increased their giving by at least $304

Events conducted during Citizens United Way Campaign week September 8 through September 12

Special thanks to the members of the Citizens United Way Board of Directors for their hard work and dedication.

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

As the upcoming holiday season draws near, Citizens Energy Group is excited to once again provide an opportunity for our employees to make a difference for those who are less fortunate by making a donation to the Paul Riggins Giving Tree. The project started 30 years ago, when Paul Riggins, a family who lost their home in a forest fire, started a tree to raise money for those in need.

Appointed over the years, Citizens has partnered with United Way to identify three Marion County families, and with your help, will also be able to provide them with clothes, toys, groceries and other essential needs before the holiday season.

Citizens United Way Committee will be working with the families to ensure that their employees have the ability to purchase some of the basics including:
- Groceries
- Clothing
- Toys

Both the United Way Committee and Citizens will be working closely with local organizations to identify the needs of the families.

For more information about the Paul Riggins Giving Tree, contact the United Way Committee.

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 began on Monday with donations from Citizens Energy Group and the General Office, and our annual community luncheon at Langsdale on Tuesday. On Thursday, there was an ice cream social during the noon hour at the General Office, and another ice cream social with a water dispenser at Langsdale. In addition, the United Way office will be open to accept donations from the employees.

The decision to drop the lunch option (at least temporarily) was made by the United Way Committee, and they are proud to have raised funds for the organization. This year’s United Way campaign was another success, and we are grateful for the efforts of all who contributed.
Citizens Helps Launch Groundwork Indy and Indy Do Day Project

Citizens Energy Group recently partnered with several community organizations to help launch Groundwork Indy, and make its first “Indy Do Day” community project. The project focused on transforming the area near Illinois Railway across the Central Canal and entering a neighborhood gateway on the near northwest side of Indianapolis.

The Groundwork Indy launch was conducted in conjunction with May 19th, and it was the culmination of a three-day public art, beautification, and cleanup event.

The transformation project was conducted on October 13, and the other organizations that joined Citizens in supporting Groundwork Indy and coordinating the effort were Lame Construction, Weaver Civic League, Summit Construction, the Indianapolis Museum of Art (IMA) and the Department of Public Works.

Groundwork Indy’s youth Green Team and volunteers filled newly planted flower beds to create 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 thanked on how the youth funds

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

Many thanks to the employees of Citizens Controllership, Treasury, and Regulatory Department who recently contributed over $1000 to purchase school supplies for students, grades K-4, at Washington Irving School 54 also known as Indianapolis Public School (IPS) #14.

The school supplies were delivered to Charlotte Scott of IPS #14 on August 4, and this year representatives received donations from all regions of the city.

IPS #14 is also the school where Citizens employees participated in the schools Reading program several years ago.

Friends again to our employees who made donations to help the students at IPS #14, as well as those who contributed to the 500 Festival Blocks Awards program.

Part of the Community

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

Thanks again to 80 plus employees, family members and friends who volunteered at the this year’s 500 Festival Mini-Marathon on May 2. While representing Citizens, the volunteers provided water to our 8000 participants along the course.

Once arrived, the volunteers set up the Citizens pit station at the turn of the Indianapolis Motor Speedway. In addition to operating our company’s own station, the volunteers helped two other stations, one a low-income volunteer station.

Thanks to their efforts, and success in qualifying the three of the Mini Marathon participants, Citizens was named the 2017 winner of the Mini-Marathon Pit Station Contest. In addition to receiving the Pit Station Contest Trophy, our volunteers were invited to spend a day in the 100 Level Box Suite at the Indianapolis Motor Speedway during practice.
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>
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</thead>
<tbody>
<tr>
<td>MBE Expenditures</td>
<td>$63.4 million</td>
<td>17.5%</td>
<td>15%</td>
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<tr>
<td>WBE Expenditures</td>
<td>$49.8 million</td>
<td>13.7%</td>
<td>8%</td>
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<tr>
<td>VBE Expenditures</td>
<td>$15.4 million</td>
<td>4.2%</td>
<td>3%</td>
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<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></th>
<th>Company Response</th>
</tr>
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<tr>
<td>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</td>
<td></td>
</tr>
<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></td>
</tr>
</tbody>
</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
Consent Decree currently $330 M under budget

Primary Consent Decree Projects

- **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 2018
  - 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.

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
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- Deep Rock Tunnel Connector Pump Station 7
- Eagle Creek CSO Abatement Project 9
- Advanced Wastewater Treatment Plants 10
- Consent Decree Schedule 13
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- Annual CSO Remaining 15
- Economic Impacts 16
- Strategies for Success 17
- Non-Project Programs and Requirements 18

Combined Sewer Overflow Control Measures

Control Measures Completed

- Actual
- Original

Control Measures Completed

- 0 2001 2006 2011 2016 2021 2025

Control Measures are associated with projects and specific design and performance criteria in the Consent Decree. Citizens is currently ahead of schedule on Control Measure completion.

DigIndy Tunnel System Construction Timeline


Citizen's Energy Group
Cleaner Waters, Better Neighborhoods.
Deep Tunnel System Components

Robbins Main Beam Tunnel Boring Machine
http://www.youtube.com/watch?v=10YqpZCoYEQ
Deep Rock Tunnel Connector Pump Station Update

DRTC Tunnel Launch Shaft 18’ Diameter

39’ Diameter

60’W x 100’L x 66’H

FACT SHEET
- Pumps are “dry pit vertical centrifugal”.
- 3 pumps need 4,500 kilowatt-hours
- Deepest floor is almost 280 feet below the ground surface
- Cavern excavation produced over 16,000 cubic yards of rock
- Pump Station houses four (4) 30MGD pumps
- Each pump is rated at 2,000 horsepower
- Flow enters the Pump Station through a 72-inch diameter tunnel extending from the Screen & Grit Shaft
- Pumps discharge into twin 42-inch diameter pipes
- Water is lifted over 300 feet before flowing into Southport AWT

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

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
Questions?