FILED
July 18, 2017
INDIANA UTILITY
REGULATORY COMMISSION

STATE OF INDIANA

INDIANA UTILITY REGULATORY COMMISSION

PETITION OF CWA AUTHORITY, INC. FOR (1) AUTHORITY TO INCREASE ITS RATES AND CHARGES FOR WASTEWATER SERVICE AND APROVAL OF A NEW SCHEDULE OF RATES AND CHARGES APPLICABLE THERETO, INCLUDING A NEW RATE FOR LOW-INCOME CUSTOMERS; (2) APPROVAL OF CERTAIN CHANGES TO ITS GENERAL TERMS AND CONDITIONS FOR WASTEWATER SERVICE; AND (3) ESTABLISHMENT OF A SUBDOCKET PROCEEDING TO ADDRESS CERTAIN COST ALLOCATION ISSUES.	**CAUSE NO. 44685**

NOTICE OF IMPLEMENTATION OF PHASE 2 RATES

Pursuant to the Stipulation and Settlement Agreement (the "Stipulation") approved by the Commission in Cause No. 44685 and the final Order in that Cause issued on July 18, 2016 (the "Final Order"), CWA Authority, Inc. ("Petitioner" or "CWA") provides notice to the OUCC and Commission that on August 1, 2017, Petitioner will implement the Phase 2 increase authorized in the Final Order.

The Stipulation and Final Order authorized Petitioner to implement a two-phase increase to its authorized total operating revenues. The Phase 1 increase, which was authorized to become effective upon issuance of the Final Order, has already been implemented and became effective July 20, 2016. The Final Order authorized the Phase 2 increase based upon Petitioner's completion of a planned debt issuance in 2017 (the "2017 Debt Issuance") as well as an increase to the PILOT (payment in lieu of taxes) amounts CWA is required to pay the City of Indianapolis. Paragraph 7 of the Stipulation provides:

> CWA will file a notice with the Commission, and serve the OUCC, indicating it has released the Official Statement ("OS") for its 2017 bonds. Once CWA has released its OS and notified the Commission and the OUCC, CWA will be permitted to immediately implement the above-described Phase 2 rate increase without any further action by the Commission or the OUCC, subject to potential

revision as a result of a compliance filing under paragraph 17 or a true-up report filed under paragraph 23.

In order to reduce the amount of interest costs CWA, and ultimately its customers, will pay, the 2017 Debt Issuance will be completed through Indiana's State Revolving Fund ("SRF") program administered by the Indiana Finance Authority, which will also obviate the need for CWA to issue an OS as contemplated by Paragraph 7 of the Stipulation. In lieu thereof, CWA notifies the Commission and the OUCC that the bond document captioned "CWA Authority, Inc. City of Indianapolis, Indiana First Lien Wastewater Revenue Bond, Series 2017A" (the "2017A Bond") has been released. The 2017A Bond, which has been executed by CWA's President and Chief Executive Officer and attested by CWA's Senior Vice President and Chief Financial Officer and identifies the Indiana Finance Authority as the Registered Owner of the 2017A Bond, is attached to this notice. The full principal amount of the 2017A Bond will be advanced to CWA on July 21, 2017. Interest will begin accruing on that date and CWA will begin making levelized principal and interest payments as shown on Schedule A of the 2017A Bond. Pursuant to Paragraph 23 of the Stipulation, Petitioner will file with the Commission a true-up report and revised rate schedules within 30 days of the issuance of the 2017A Bond.

Respectfully submitted,

/s/ Michael E. Allen

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E-mail: mallen@citizensenergygroup.com

Attorney for Petitioner

CERTIFICATE OF SERVICE

The undersigned hereby certifies that a copy of the foregoing was served on the following by delivering a copy thereof by electronic mail on this 18th day of July, 2017.

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/s/ Michael E. Allen
Michael E. Allen

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UNITED STATES OF AMERICA

STATE OF INDIANA
No. 17-AR-1

COUNTY OF MARION
$163,526,839

CWA AUTHORITY, INC.
CITY OF INDIANAPOLIS, INDIANA
FIRST LIEN WASTEWATER REVENUE BOND, SERIES 2017A

Interest Rate	Original Date	Maturity Date	Authentication Date
See Schedule A	July 21, 2017	See Schedule A	July 21, 2017

Registered Owner: INDIANA FINANCE AUTHORITY

Principal Sum: See Schedule A

CWA Authority, Inc. (the "Authority"), a nonprofit public benefit corporation created pursuant to the Indiana Nonprofit Act of 1991, as amended, Indiana Code 36-1-7 and the Interlocal Cooperation Agreement (the "ICA") (as defined in the hereinafter defined First Lien Master Indenture) and as necessary under the Authorizing Acts to act on behalf of the City of Indianapolis, Indiana, for value received, hereby acknowledges itself indebted and promises to pay to the registered owner stated above, or registered assigns, but solely out of the Net Revenues of the Wastewater System and the Pledged Funds (all as defined in the hereinafter defined Indentures), the principal sum stated above, or so much thereof as may be advanced from time to time and be outstanding as evidenced by the records of the registered owner making payment for this bond, on July 1 in the years and amounts as set forth on Schedule A hereto, on the maturity dates stated on Schedule A hereto, and to pay interest on said principal sum to the registered owner of this bond until the Authority's obligation with respect to the payment of said principal sum shall be discharged, at the rate per annum specified above from the Interest Payment Date immediately preceding the date of the authentication of this bond, unless this bond is authenticated on or before January 15, 2018, in which case the interest shall be paid from the Original Date stated above or unless this bond is authenticated between the Record Date (as defined in the Series 2017A Supplemental Indenture) preceding an Interest Payment Date and the Interest Payment Date, in which case interest shall be paid from such Interest Payment Date. Interest shall be payable semi-annually on January 1 and July 1 of each year, commencing January 1, 2018. Interest shall be calculated on the basis of twelve (12) thirty (30)-day months for a three hundred sixty (360)-day year.

All payments of principal of and interest on this bond shall be paid by wire transfer for deposit to the corporate trust operations office of The Bank of New York Mellon Trust

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Company, N.A. ("Trustee," "Registrar" or "Paying Agent") or to a financial institution as directed by the Indiana Finance Authority (the "IFA") (or any successor thereto) on the due date or, if such due date is a day when financial institutions are not open for business, on the business day immediately after such due date to the registered owner hereof as of the fifteenth day of the month preceding such interest payment date at the address as it appears on the registration books kept by the Registrar or Paying Agent, or at such other address as is provided to the Paying Agent in writing by the registered owner. All payments on this bond shall be made in coin or currency of the United States of America which, on the dates of such payments, shall be legal tender for the payment of public and private debts.

This bond, together with interest hereon, shall be payable solely out of the Net Revenues and the Pledged Funds, after the payment only of the Operation and Maintenance Expenses (as defined in the First Lien Master Indenture). The Series 2017A Bonds are issued on a parity with all other Parity Obligations (as defined in the First Lien Master Indenture) to be issued as described in the First Lien Master Indenture and in the 2017A Supplemental Indenture (as defined below). The First Lien Bonds (as defined in the First Lien Master Indenture) constitute special obligations of the Authority that shall be payable from and shall be equally and ratably secured by a lien on and pledge of the Net Revenues and Pledged Funds. For the benefit of the owners of First Lien Bonds, the Authority, pursuant to the First Lien Master Indenture and the Series 2017A Supplemental Indenture, has granted a lien on and pledge of the Net Revenues and Pledged Funds to secure the payment of principal of, premium, if any, and interest on the First Lien Bonds and all expenses of providing for their full and timely payment in accordance with their terms, as provided in the First Lien Master Indenture and the Series 2017A Supplemental Indenture and pursuant to the Authorizing Acts. Subject to the provisions of the First Lien Master Indenture and the Series 2017A Supplemental Trust Indenture dated as of July 1, 2017 (the "Series 2017A Supplemental Indenture"), between the Authority and the Trustee for registration, this bond is negotiable under the laws of the State of Indiana.

This bond is one of an authorized issue of bonds of the Authority in the aggregate principal amount of One Hundred Sixty-Three Million Five Hundred Twenty-Six Thousand Eight Hundred Thirty-Nine Dollars ($163,526,839) (the "Series 2017A Bonds"), numbered consecutively from 17-AR-1 upwards, issued pursuant to the First Lien Master Trust Indenture dated as of July 1, 2011 (the "First Lien Master Indenture", as amended and supplemented by the Series 2011A First Lien Supplemental Trust Indenture dated as of July 1, 2011, the Series 2012A First Lien Supplemental Trust Indenture dated as of September 1, 2012, the Series 2014A Supplemental Trust Indenture dated as of July 1, 2014, the Series 2015A First Lien Supplemental Trust Indenture dated as of February 1, 2015, the Series 2016A First Lien Supplemental Trust Indenture dated as of September 1, 2016, the Series 2016C First Lien Supplemental Trust Indenture dated as of September 1, 2016, and the Series 2017A Supplemental Trust Indenture dated as of July 1, 2017, the "Indentures") between the Authority and the Trustee as well as the Financial Assistance Agreement dated as of July 21, 2017 between the Authority and the IFA.

The Authority irrevocably pledges the entire Net Revenues of such Wastewater System and the Pledged Funds to the prompt payment of the principal of and interest on the bonds authorized and issued pursuant to the First Lien Master Indenture and the Parity Obligations issued in connection therewith, including this bond, in the manner described in Section 3.01 of

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the First Lien Master Indenture and Section 5(b) of the Series 2017A Supplemental Indenture, and covenants that it will cause to be fixed, maintained and collected such rates and charges for services rendered by such Wastewater System as are sufficient in each year for the payment of the Operation and Maintenance Expenses of the Wastewater System, and for the payment of the sums required to be paid into such Bond Interest and Principal Fund and the Bond Reserve Fund under the provisions of the Authorizing Acts and the First Lien Master Indenture. In the event the Authority, or the Authorized Officers thereof, shall fail or refuse to fix, maintain and collect such rates or charges, or if there be a default in the payment of the principal of or interest on this bond, the owner of this bond shall have all of the rights and remedies provided for in such Indentures and the Authorizing Acts.

The bonds maturing in any one year are issuable only in fully registered form in Authorized Denominations or integral multiples thereof not exceeding the aggregate principal amount of the bonds maturing in such year.

The Series 2017A Bonds maturing on or after July 1, 2028, are subject to optional redemption prior to their maturity on July 1, 2027, or any date thereafter, on not less than sixty (60) days' and not more than ninety (90) days' notice, in whole or in part, in inverse order of maturity, at face value, plus interest accrued to the date fixed for redemption, at a redemption price set forth below:

102% if redeemed on July 1, 2027 or thereafter
on or before June 30, 2028;
101% if redeemed on July 1, 2028 or thereafter
on or before June 30, 2029;
0% if redeemed on July 1, 2029 or thereafter
prior to maturity.

Provided however if the Series 2017A Bonds are registered in the name of the Indiana Finance Authority, the Series 2017A Bonds shall not be redeemable at the option of the Authority unless and until consented to by the IFA.

Official notice of any such redemption shall be sent by registered or certified mail to the registered owner of this bond not less than sixty (60) days and not more than ninety (90) days prior to the date fixed for redemption at the address shown on the registration books of the Registrar and Paying Agent or at such other address as is furnished in writing to the Registrar and Paying Agent, unless such notice is waived by the registered owner; provided, however, that failure to give such notice by mailing, or any defect therein, with respect to any such bond will not affect the validity of any proceedings for redemption of any other such bonds. The place of redemption may be at the principal office of the Registrar and Paying Agent or as otherwise determined by the Authority. Interest on bonds so called for redemption shall cease to accrue on the redemption date fixed in such notice, so long as sufficient funds are available at the place of redemption, to pay the redemption price on the redemption date or when presented for payment.

If fewer than all of the bonds of the Series 2017A Bonds of a maturity are to be called for redemption, the principal amount of the particular Series 2017A Bonds to be redeemed shall be

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selected by lot by the Trustee in Authorized Denominations. The aggregate principal amount of each Series 2017A Bond remaining outstanding shall be in an Authorized Denomination.

If this bond or a portion hereof shall have become due and payable in accordance with its terms or this bond or a portion hereof shall have been duly called for redemption or irrevocable instructions to call this bond or a portion hereof for redemption shall be given and the whole amount of the principal of and interest so due and payable upon all of this bond or a portion hereof then outstanding shall be paid or (i) sufficient moneys, or (ii) Defeasance Obligations deposited in accordance with the First Lien Master Indenture, then and in that case this bond or such portion hereof shall no longer be deemed outstanding or an indebtedness of the Authority.

This bond is transferable or exchangeable only upon the books of the Authority kept for that purpose at the principal office of the Registrar and Paying Agent by the Owner hereof in person, or by his attorney duly authorized in writing, upon surrender of this bond together with a written instrument of transfer or exchange satisfactory to the Registrar and Paying Agent duly executed by the Owner or his attorney duly authorized in writing, and thereupon a new fully registered bond or bonds in the same aggregate principal amount and of the same maturity shall be executed and delivered in the name of the transferee or transferees or the Owner, as the case may be, in exchange therefor. This bond may be transferred or exchanged without cost to the registered owner, except for any tax or governmental charge required to be paid with respect to the transfer or exchange. The Registrar and Paying Agent shall not be required to make any transfer or exchange of this bond if it has been called for redemption or following the Record Date immediately preceding an Interest Payment Date on this bond until such Interest Payment Date. The Authority and the Registrar and Paying Agent may treat and consider the person in whose name this bond is registered as the absolute Owner hereof for all purposes including for the purpose of receiving payment of, or on account of, the principal hereof and interest due hereon.

In the event this bond is mutilated, lost, stolen or destroyed, the Authority may cause to be executed and the Registrar and Paying Agent may authenticate a new bond of like date, maturity and denomination as this bond, which new bond shall be marked in a manner to distinguish it from this bond; provided that, in the case of this bond being mutilated, this bond shall first be surrendered to the Authority and the Registrar and Paying Agent, and in the case of this bond being lost, stolen or destroyed, there shall first be furnished to the Authority and the Registrar and Paying Agent evidence of such loss, theft or destruction satisfactory to the Authority and the Registrar and Paying Agent, together with indemnity satisfactory to them. In the event that this bond, being lost, stolen or destroyed, shall have matured, instead of issuing a duplicate bond, the Authority and the Registrar and Paying Agent may, upon receiving indemnity satisfactory to them, pay this bond without surrender hereof. The Authority and the Registrar and Paying Agent may charge the registered owner of this bond with their reasonable fees and expenses in connection with the above. Every substitute bond issued by reason of this bond being lost, stolen or destroyed shall, with respect to this bond, constitute a substitute contractual obligation of the Authority, whether or not this bond, being lost, stolen or destroyed shall be found at any time, and shall be entitled to all the benefits of the Indentures, equally and proportionately with any and all other First Lien Bonds duly issued thereunder.

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In the manner provided in the Indentures, the Indentures and the rights and obligations of the Authority and of the registered owners of the bonds may (with certain exceptions as stated in the Indenture) be modified or amended without the consent of the owners of the bonds.

The Registrar and Paying Agent may at any time resign as Registrar and Paying Agent by giving sixty (60) days' written notice to the Authority and to the registered owners of bonds then outstanding and such resignation will take effect upon the appointment of a successor Registrar and Paying Agent by the Authority. Such notice to the Authority may be served personally or be sent by registered mail. The Registrar and Paying Agent may also be removed at any time as Registrar and Paying Agent by the Authority, in which event the Authority may appoint a successor Registrar and Paying Agent. The Authority shall cause the registered owner of this bond, if then outstanding, to be notified by certified or registered mail of the removal of the Registrar and Paying Agent. Notices to registered owners of bonds shall be deemed to be given when mailed by certified or registered mail to the addresses of such registered owners as they appear in the registration books kept by the Registrar and Paying Agent.

It is hereby certified and recited that all acts, conditions and things required by law and the Constitution of the State of Indiana to be done precedent to and in the execution, issuance, sale and delivery of this bond have been properly done, happened and performed in regular and due form as prescribed by law.

This bond shall not be valid or become obligatory for any purpose or be entitled to any security or benefit under the Indentures authorizing this bond until the certificate of authentication hereon shall have been duly executed by an authorized representative of the Registrar and Paying Agent.

* * * * *

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IN WITNESS WHEREOF, this bond has been executed by the manual or facsimile signature of the Mayor of the City of Indianapolis, Indiana, and attested by the manual or facsimile signature of the Controller of the City of Indianapolis, Indiana, who has caused the official seal of the City of Indianapolis, Indiana, to be impressed or a facsimile thereof to be printed or otherwise reproduced hereon and by the manual or facsimile signature of the President and Chief Executive Officer of CWA Authority, Inc. and attested by the manual or facsimile signature of the Senior Vice President and Chief Financial Officer of CWA Authority, Inc.

CITY OF INDIANAPOLIS, INDIANA

By: _____
Joseph H. Hogsett
Mayor, City of Indianapolis, Indiana

(SEAL)

ATTEST:

_____
NaTrina Debow
Clerk, City of Indianapolis, Indiana

ATTEST:

_____
Fady Qaddoura
Controller, City of Indianapolis, Indiana

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CWA AUTHORITY, INC.

By: _____
Jeffrey A. Harrison
President and Chief Executive Officer

ATTEST:

_____
John R. Brehm
Senior Vice President
and Chief Financial Officer

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REGISTRAR'S CERTIFICATE OF AUTHENTICATION

This bond is one of the bonds described in the within-mentioned Indenture.

THE BANK OF NEW YORK MELLON TRUST COMPANY, N.A.,
as Registrar and Paying Agent

By: _____
Authorized Representative

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ASSIGNMENT

For value received, the undersigned hereby sells, assigns and transfers unto

_____

(Insert name and address of transferee)

this bond and all rights hereunder and hereby irrevocably constitutes and appoints _____, attorney, to transfer this bond on the books kept for the registration hereof with full power of substitution in the premises.

Date: _____

Signature Guaranteed:

_____

NOTICE: Signature(s) must be guaranteed by an eligible guarantor institution participating in a Securities Transfer Association recognized signature guarantee program.

_____

NOTICE: The signature to this assignment must correspond with the name of the registered owner as it appears on the front of this bond without alternation or enlargement or any change whatsoever.

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SCHEDULE A

Year	Principal Amount	Interest Rate
7/1/2018	$ 3,344,450	3.53 %
7/1/2019	3,255,650	3.53
7/1/2020	3,370,775	3.53
7/1/2021	3,489,964	3.53
7/1/2022	3,613,360	3.53
7/1/2023	3,741,112	3.53
7/1/2024	3,873,374	3.53
7/1/2025	4,010,305	3.53
7/1/2026	4,152,069	3.53
7/1/2027	4,298,837	3.53
7/1/2028	4,450,787	3.53
7/1/2029	4,608,100	3.53
7/1/2030	4,770,967	3.53
7/1/2031	4,939,583	3.53
7/1/2032	5,114,150	3.53
7/1/2033	5,294,880	3.53
7/1/2034	5,481,990	3.53
7/1/2035	5,681,386	3.53
7/1/2036	5,881,939	3.53
7/1/2037	6,089,572	3.53
7/1/2038	6,304,534	3.53
7/1/2039	6,527,084	3.53
7/1/2040	6,757,490	3.53
7/1/2041	6,996,029	3.53
7/1/2042	7,242,989	3.53
7/1/2043	7,498,667	3.53
7/1/2044	7,763,370	3.53
7/1/2045	8,037,416	3.53
7/1/2046	8,321,137	3.53
7/1/2047	8,614,873	3.53

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