

PENNICHUCK WATER WORKS, INC.

BOARD OF DIRECTORS  
MINUTES OF FEBRUARY 26, 2016 MEETING

A meeting of the Board of Directors of Pennichuck Water Works, Inc. (the "Company") was held on Friday, February 26, 2016 at 10:07 a.m. at the Company's offices at 25 Manchester Street, Merrimack, New Hampshire.

Written materials relating to items listed in the Agenda were provided to the Board members for their review prior to the meeting.

The following Directors were present, constituting a quorum:

Thomas J. Leonard, Chairman	Jay N. Lustig
David P. Bernier	James McMahon
C. George Bower	John D. McGrath
James P. Dore	Preston J. Stanley, Jr.
Elizabeth A. Dunn	

Also attending the meeting from the Company were Larry D. Goodhue, Chief Executive Officer, and Suzanne L. Ansara, Corporate Secretary. S. Ansara recorded the minutes of the meeting.

Approval of Minutes

The Chairman inquired whether there were any comments with respect to the draft minutes of the January 22, 2016 meeting of the Board of Directors. There being none, on motion duly made by E. Dunn and seconded by P. Stanley, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the January 22, 2016 meeting of the Board of Directors are hereby approved.

Distribution to Pennichuck Corporation

L. Goodhue indicated that management is seeking approval of a distribution from the Company to Pennichuck Corporation in the amount of \$7,239,743.20 to fund Pennichuck Corporation's payment of the City debt.

On motion duly made by D. Bernier and seconded by J. McGrath, all of the Directors present then voting, it was unanimously

Resolved: that a distribution in the amount of \$7,239,743.20 (of which \$1,782,661.24 is from retained earnings and \$5,457,081.96 is from additional paid in capital) be recorded to Pennichuck Corporation on February 29, 2016.

## Source Water Protection Grant

L. Goodhue reported that the Company has qualified for a grant through the 2016 Local Source Water Protection Grant Program in the amount of \$20,000. The grant will be used to fund a watershed and tributary PCS/sediment study. He indicated that the Company is seeking the Board's approval to enter into a Grant Agreement with the New Hampshire Department of Environmental Services (NHDES). He referred the Board to the draft grant agreement and a copy of the application filed with the NHDES, copies of which were included in the written materials. A discussion ensued.

On motion duly made by G. Bower and seconded by E. Dunn, all of the Directors present then voting, it was unanimously

Resolved: that the Board of Directors of Pennichuck Water Works, Inc. (the "Company") authorizes the Company to accept a grant of \$20,000 through the 2016 Local Source Water Protection Grant Program for the *Watershed and Tributary PCS/Sediment Study Project* (the "Project");

Further

Resolved: that the Board of Directors authorizes the Company to enter into a Grant Agreement for the Project, in substantially the form presented at this meeting, with the New Hampshire Department of Environmental Services; and

Further

Resolved: that the Company's Chief Executive Officer or Chief Operating Officer, acting singly, are each hereby authorized to execute and deliver the Grant Agreement, and to execute any and all other documents necessary, and to take such further actions, as any of them, in their sole discretion, may deem necessary, proper or advisable, to carry out the intent of these resolutions.

There being no further business to come before the Board, the meeting was adjourned at 10:10 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara  
Corporate Secretary