

PENNICHUCK WATER WORKS, INC.  
BOARD OF DIRECTORS  
MINUTES OF JANUARY 23, 2015 MEETING

A meeting of the Board of Directors of Pennichuck Water Works, Inc. (the “Company”) was held on Friday, January 23, 2015 at 9:48 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  
David P. Bernier, telephonically  
C. George Bower  
James P. Dore  
Elizabeth A. Dunn  
Stephen D. Genest  
Paul A. Indeglia  
Jay N. Lustig  
John D. McGrath  
James McMahan, telephonically  
Preston J. Stanley, Jr.

Also attending the meeting from the Company were:

John L. Patenaude, Chief Executive Officer  
Donald L. Ware, Chief Operating Officer  
Larry D. Goodhue, Chief Financial Officer  
George Torres, Accounting Manager  
Carol Ann Howe, Director of Regulatory Affairs, Treasury and Business Services  
James Lavacchia, Distribution Manager  
Suzanne L. Ansara, Corporate Secretary

D. Bernier indicated that he could not attend the meeting in person because he is travelling out of state, that he can hear the proceedings and he is alone.

J. McMahan indicated that he could not attend the meeting in person because he is travelling out of state, that he can hear the proceedings and he is alone.

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 October 24, 2014 Board meeting. There being none, on motion duly made by E. Dunn and seconded by J. McGrath, all of the Directors voting in favor, except for G. Bower who abstained, it was

Resolved: that the minutes of the October 24, 2014 meeting of the Board of Directors are hereby approved.

## SRF Loan – Interconnection from Merrimack River to Water Treatment Plant

The Chairman asked for a motion to approve the resolutions set forth in the Agenda relating to the borrowing by Pennichuck Water Works, Inc. of up to \$3,500,000 from the State of New Hampshire to fund the interconnection from the Merrimack River main in Merrimack to the water treatment plan in Nashua. The matter was discussed at the Pennichuck Corporation Board meeting held earlier in the day.

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

Resolved: that the Board of Directors hereby approves the borrowing by Pennichuck Water Works, Inc. (the “Company”) of up to \$3,500,000 in principal amount from the State of New Hampshire (the “State”), such amount to be paid over a 20-year term, level payment, with interest and related costs, for the purpose of funding the interconnection from the Merrimack River main in Merrimack, New Hampshire to the Company’s water treatment plant in Nashua, New Hampshire, pursuant to a Loan Agreement between the Company and the State under the State’s Drinking Water Revolving Loan Fund program.

Further

Resolved: that the officers of the Company are severally authorized, empowered and directed to execute and deliver, in the name and on behalf of the Company, the Loan Agreement for the SRF loan described in the previous resolution (the “SRF Loan”) with such terms, including the exhibits and schedules to such Loan Agreement, as may be deemed necessary or advisable in the several judgment of the officers executing the Loan Agreement.

Further

Resolved: that the officers of the Company are hereby authorized, empowered and directed to take any and all actions to obtain all necessary approvals for the SRF Loan from the New Hampshire Public Utilities Commission, the New Hampshire Department of Environmental Services, the Governor and Executive Council, and the City of Nashua in its capacity as the sole shareholder of the Company, and any other authority determined by such officers relating to the SRF Loan.

Further

Resolved: that John L. Patenaude, Donald L. Ware, and Larry D. Goodhue are severally authorized, empowered and directed to take such actions and to execute and deliver such documents as in the opinion of the officer or officers so acting or in the opinion of counsel, are necessary or desirable to effect the SRF Loan and to carry out the purposes of the preceding resolutions, the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions.

### Financing – Bonds

The Chairman asked for a motion to approve the resolutions set forth in the Agenda relating to the refinancing of tax-exempt bonds, which was discussed at the Pennichuck Corporation Board meeting held earlier in the day.

On motion duly made by S. Genest and seconded by P. Stanley, all of the Directors then voting, it was unanimously

Resolved: that management is hereby authorized to proceed with the following process and approvals required to complete the refinance of the remaining tax-exempt bonds on the predecessor indentures from 2005, including the formal defeasance/retirement of the B-1 bonds fully refunded and held in treasury at BNY Mellon:

- (1) obtain New Hampshire Business Finance Authority (NHBFA) approval to issue tax-exempt bonds sufficient to fund the refinancing;
- (2) file a financing petition with the New Hampshire Public Utilities Commission to seek approval to complete the refinancing activity;
- (3) file a shareholder approval request with the City of Nashua to seek approval to complete the refinancing activity;
- (4) file a joint approval request with the NHBFA to the State of New Hampshire Governor and Council, approving the funding of the tax-exempt bonds through the NHBFA; and
- (5) complete the entire bond issuance and documentation process with the investment bankers and respective counsels.

Further

Resolved: that John L. Patenaude, Donald L. Ware and Larry D. Goodhue, are severally authorized to process an application with the New Hampshire Business Finance Authority, for the issuance of an amount up to \$30,000,000 in tax-exempt bonds, sufficient to begin the process for the refunding and refinance of the existing Series A, Series B-1, Series 2005A and Series 2005B tax-exempt bonds currently existing as obligations on the books and records of Pennichuck Water Works, Inc.

There being no further business to come before the Board, the meeting was adjourned at 9:49 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara  
Corporate Secretary