

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF MAY 24, 2018 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Thursday, May 24, 2018 at 8:30 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 for the meeting, constituting a quorum:

Thomas J. Leonard, Chairman
David P. Bernier
C. George Bower
James P. Dore
Elizabeth A. Dunn
Stephen D. Genest
Preston J. Stanley, Jr.

Also attending all or a portion of the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer
Suzanne L. Ansara, Corporate Secretary
George Torres, Corporate Controller
Bernard Rousseau, Vice President, Sales and Service
Steven Greenwood, IT Director
Tara King, Revenue and Customer Operations Manager
John Boisvert, Chief Engineer
Alan Brown, Distribution Manager

S. Ansara recorded the minutes of the meeting.

The Chairman called the meeting to order.

Approval of Minutes

The Board was provided with draft minutes of the April 27, 2018 Board meeting, the May 5, 2018 Annual Meeting of Sole Shareholder, and the May 5, 2018 Annual Meeting of the Board of Directors, in the written materials.

There being no comments on the draft minutes, on motion duly made by S. Genest and seconded by E. Dunn, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the April 27, 2018 meeting of the Board of Directors are hereby approved.

Resolved: that the minutes of the May 5, 2018 Annual Meeting of Sole Shareholder are hereby approved.

Resolved: that the minutes of the May 5, 2018 Annual Meeting of the Board of Directors are hereby approved.

Financial Results

G. Torres presented a review of the Company's unaudited consolidated financial results for the month ended April 2018 and a review of revenues/water usage. The Company's revenues of \$12.6 million were 8.2% above the prior year revenues and 2.3% below budget on a year-to-date basis. Operating expenses of \$12.2 million were 1.1% above budget and 7.1% above the prior year expenses. Operating income was \$0.4 million compared to prior year operating income of \$0.3 million and budgeted operating income of \$0.9 million. Interest expense of \$3.5 million was 4.0% less than budget and 0.6% less than the prior year expense. Pre-tax loss was \$3.1 million compared to a budgeted pre-tax loss of \$2.8 million and prior year pre-tax loss of \$3.3 million. Year-to-date net loss was \$2.0 million compared to a budgeted net loss of \$2.8 million and prior year net loss of \$1.9 million. Year-to-date earnings before interest, taxes, depreciation and amortization was \$3.1 million compared to \$3.6 million in the 2018 budget and the prior year amount of \$2.8 million. Capital expenditures of \$0.8 million were below the budgeted amount of \$2.4 million. Pumpage for the month of April (285 million gallons) was behind budget (291 million gallons). L. Goodhue commented on the Company's balance sheet, cash flow statement, and debt covenant schedule, and on the income statements for each subsidiary, and reviewed the variances from budget and prior year results for each subsidiary. A discussion ensued.

Business Comments and Updates from the CEO

L. Goodhue reported that all of the financing activities have closed. He also reported that Company management attended a public meeting on the expansion of the Bedford Water System on May 22.

Move to Non-Public Session

S. Genest moved that the Board enter into non-public session to discuss confidential or financial information pursuant to RSA 91-A:3, II(j). D. Bernier seconded the motion.

A roll call of the Directors was taken, which resulted as follows:

Yea: D. Bernier, G. Bower, J. Dore, E. Dunn, S. Genest, T. Leonard,
P. Stanley

Nay:

Motion was carried to enter into non-public session at 9:18 a.m.

Reconvene in Public Session

The non-public session ended at 10:16 a.m. and the Board reconvened in public session.

S. Genest moved that the Board seal the minutes of the non-public session under RSA 91-A:3, II(j). P. Stanley seconded the motion. A roll call of the Directors present was taken, which resulted as follows:

Yea: D. Bernier, G. Bower, J. Dore, E. Dunn, S. Genest, T. Leonard,
P. Stanley

Nay:

Motion was carried to seal the minutes of the non-public session.

Other Business

There was a discussion relative to the presentation scheduled in June on emergency risk. It was agreed to move the item to the September 2018 Board meeting.

It was agreed to cancel the scheduled July Board meeting.

It was agreed to schedule a meeting of the Ad Hoc Building Committee in June.

There being no further business to come before the Board, the meeting was adjourned at 10:33 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary