

PENNICHUCK WATER WORKS, INC.

BOARD OF DIRECTORS
MINUTES OF FEBRUARY 22, 2019 MEETING

A meeting of the Board of Directors of Pennichuck Water Works, Inc. (the "Company") was held on Friday, February 22, 2019 at 10:01 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:

John D. McGrath, Acting Chairman
David P. Bernier (telephonically)
C. George Bower
Elizabeth A. Dunn
Stephen D. Genest
Jay N. Lustig
John M. Murphy
Preston J. Stanley, Jr.

Also attending the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer
Donald L. Ware, Chief Operating Officer
Suzanne L. Ansara, Corporate Secretary

D. Bernier stated the reason he was unable to attend the meeting in person, that he was alone and could hear the proceedings.

S. Ansara recorded the minutes of the meeting.

Approval of Minutes

There being no comments on the draft minutes of the January 25, 2019 meeting of the Board of Directors, on motion duly made by S. Genest and seconded by P. Stanley, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the January 25, 2019 meeting of the Board of Directors are hereby approved.

Distribution to Pennichuck Corporation

L. Goodhue stated that management is seeking approval of a distribution from the Company to Pennichuck Corporation in the amount of \$5,378,242.73 to fund Pennichuck Corporation's payment of the City's acquisition debt.

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

Resolved: that a distribution in the amount of \$5,378,242.73 (\$459,068.02 from retained earnings and \$4,919,174.71 from additional paid in capital) be recorded to Pennichuck Corporation on February 22, 2019.

Grant Agreement – Stump Pond Stormwater BMP Evaluation Project

D. Ware reported that the Company has qualified for a grant through the 2019 Local Source Water Protection Grant Program in the amount of \$20,000. The grant will be used for the Stump Pond Stormwater BMP Evaluation project. 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. He referred the Board to the draft grant agreement, which includes a description of the scope of work to be performed, a copy of which was included in the written materials. A discussion ensued.

On motion duly made by S. Genest and seconded by J. Lustig, 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 2019 Local Source Water Protection Grant Program for the *Stump Pond Stormwater BMP Evaluation 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 either of them, in their sole discretion, may deem necessary, proper or advisable, to carry out the intent of these resolutions.

Bond Financing – Pennichuck Water Works, Inc.

L. Goodhue referred the Board to the draft resolutions set forth in the Agenda relating to the 2019 financing plan and the draft financing agreements, copies of which were included in the written materials. He indicated that the financing plan has been reviewed by the Audit, Finance and Risk Committee, and the Committee is recommending that the Board consider and approve the financing plan. The financing plan was also considered and approved at the Pennichuck Corporation Board meeting held earlier today. A brief discussion ensued. The Board requested that the resolution be amended by adding the names of the alternate Board members for the Pricing Committee.

On motion duly made by E. Dunn and seconded by J. Lustig, all of the Directors present then voting, the following resolutions were adopted as amended:

Resolved: that the financing plan for the financing of the capital expenditures of Pennichuck Water Works, Inc. (the “Company”) for 2018, as described to the Board, and to consist of the entering into of the following credit facilities:

Taxable or Tax-exempt Bonds in one or more series in the aggregate amount of up to:	\$ 8,300,000
Taxable or Tax-exempt Bonds in one or more series OR Bank Credit Facility to fund Bond Issuance Costs – up to:	\$ <u>500,000</u>
Total 2019 Financing Plan:	\$ 8,800,000

(the “2019 Financing Plan”), be and it is hereby approved.

Further

Resolved: That a Pricing Committee of the Board (the “Pricing Committee”), consisting of the following Board members: C. George Bower, Thomas J. Leonard, Jay N. Lustig, John M. Murphy and Preston J. Stanley, Jr., and alternates James P. Dore and Elizabeth A. Dunn, is hereby established to approve the material pricing terms upon which the Company shall sell, issue and deliver bonds, notes or other instruments, which may be issued as taxable or tax-exempt bonds, in one or more series or other credit facilities, necessary and appropriate to implement the 2019 Financing Plan, which terms shall include, without limitation, interest rate, premium discount, maturity, amortization and redemption provisions.

Further

Resolved: That the officers of the Company are hereby authorized, empowered and directed on behalf of the Company to engage TD Securities (USA) LLC (“TD Securities”) as the underwriter for any public offering of securities in connection with the 2019 Financing Plan and to negotiate the terms of a Bond Purchase Agreement(s) or similar agreements with TD Securities and the Business Finance Authority of the State of New Hampshire (“BFA”), relating to the 2019 Financing Plan (each, a “Bond Purchase Agreement”), substantially in the form provided to the Board with such changes relating to pricing as may be approved by the Pricing Committee and with such other changes and additional terms, including any exhibits and schedules to any such Bond Purchase Agreement, as may be determined to be necessary or advisable by the Chief Executive Officer, the Chief Financial Officer or the Chief Operating Officer (each, an “Authorized Officer”), and the execution of any such Bond Purchase Agreement by any such Authorized Officer shall be conclusive as to such determination.

Further

Resolved: That the officers of the Company are hereby authorized, empowered and directed on behalf of the Company to enter into a Loan and Trust Agreement(s) with the BFA and The Bank of New York Mellon Trust Company, N.A., as Trustee, relating to the 2019 Financing Plan (each, the “Loan and Trust Agreement”), substantially in the form provided to the Board with such changes relating to pricing as may be approved by the Pricing Committee and with such other changes and additional terms, including any exhibits and schedules to any such Loan and Trust Agreement, as may be determined to be necessary or advisable by any Authorized Officer, and the execution of any such Loan and Trust Agreement by any such Authorized Officer shall be conclusive as to such determination.

Further

Resolved: That the officers of the Company are hereby authorized, empowered and directed on behalf of the Company to enter into a Continuing Disclosure Agreement(s) with the Trustee or another dissemination agent, relating to the 2019 Financing Plan (each, a “Continuing Disclosure Agreement”), substantially in the form provided to the Board and with such changes and additional terms, including any exhibits and schedules to any such Continuing Disclosure Agreement, as may be determined to be necessary or advisable by any Authorized Officer, and the execution of any such Continuing Disclosure Agreement by any such Authorized Officer shall be conclusive as to such determination.

Further

Resolved: That the officers of the Company are hereby authorized, empowered and directed on behalf of the Company to cause to be prepared, executed and distributed by TD Securities a Preliminary Official Statement(s) relating to any bonds to be issued under any respective Bond Purchase Agreement and Loan and Trust Agreement to effect the 2019 Financing Plan (the "Preliminary Official Statement"), such Preliminary Official Statement to be substantially in the form provided to the Board and with such changes and additional terms, including any exhibits and schedules to any such Preliminary Official Statement, as may be determined to be necessary or advisable by any Authorized Officer, and the execution of any such Preliminary Official Statement by any such Authorized Officer shall be conclusive as to such determination.

Further

Resolved: That the officers of the Company are hereby authorized, empowered and directed on behalf of the Company to cause to be prepared, executed and distributed by TD Securities an Official Statement(s) relating to any bonds to be issued under any Bond Purchase Agreement and Loan and Trust Agreement to effect the 2019 Financing Plan, such Official Statement to be substantially in the form of the Preliminary Official Statement with such changes relating to pricing as may be approved by the Pricing Committee and with such other changes and additional terms, including any exhibits and schedules, as may be determined to be necessary or advisable by any Authorized Officer, and the execution of any such Official Statement by any such Authorized Officer shall be conclusive as to such determination.

Further

Resolved: That, without limiting the authority of the Pricing Committee and the Authorized Officers pursuant to the foregoing resolutions relating to the 2019 Financing Plan, the Authorized Officers are hereby authorized, empowered and directed to finalize the terms of the 2019 Financing Plan, including preparation and execution of such additional agreements, petitions and documents as any Authorized Officer determines to be necessary or advisable to effect the 2019 Financing Plan, and the execution of such additional agreements, petitions and documents by any such Authorized Officer shall be conclusive as to such determination, and to present such agreements, petitions and documents to the Pricing Committee for further approvals as may be required by such agreements, petitions and documents, and the Pricing Committee is hereby authorized to give any such further approvals on behalf of the Board and the Company.

Further

Resolved: That the Authorized Officers are hereby authorized, empowered and directed to take any and all actions to develop and effect the borrowings contemplated by the 2019 Financing Plan, including taking any and all actions to obtain all necessary approvals for the borrowings contemplated by such Plan from the New Hampshire Public Utilities Commission and any other authority determined by such Authorized Officers relating to such borrowings.

Further

Resolved: That any actions taken by any Authorized Officers prior to the date of the foregoing resolutions adopted hereby that are within the authority conferred thereby are hereby ratified, confirmed, approved and adopted as actions of the Company.

There being no further business to come before the Board, the meeting was adjourned at 10:05 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary