

PENNICHUCK WATER WORKS, INC.

BOARD OF DIRECTORS
MINUTES OF FEBRUARY 28, 2020 MEETING

A meeting of the Board of Directors of Pennichuck Water Works, Inc. (the “Company”) was held on Friday, February 28, 2020 at 9:23 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
C. George Bower, telephonically
James P. Dore
Elizabeth A. Dunn
Stephen D. Genest
Jay N. Lustig
John D. McGrath
Preston J. Stanley, Jr.

Also attending the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer
Mary V. DeRoche, Human Resources Director
Suzanne L. Ansara, Corporate Secretary
George Torres, Corporate Controller
Carol Ann Howe, Assistant Treasurer
Steven Greenwood, IT Director
Chris Countie, Director, Water Supply and Community Systems
Bernard Rousseau, Vice President, PWSC
John Boisvert, Chief Engineer
Alan Brown, Distribution Manager

G. Bower 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 24, 2020 meeting and non-public session of the Board of Directors, on motion duly made by J. Dore and seconded by P. Stanley, all of the Directors present then voting, it was unanimously

Resolved: that the minutes of the January 24, 2020 meeting of the Board of Directors are hereby approved.

Resolved: that the sealed minutes of the January 24, 2020 non-public session 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 \$6,207,651.73 to fund Pennichuck Corporation’s payment of the City’s acquisition debt.

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

Resolved: that a distribution in the amount of \$6,207,651.73 (\$386,828.76 from retained earnings and \$5,820,822.97 from additional paid in capital) be recorded to Pennichuck Corporation on February 28, 2020.

Bond Financing – 2019 Capital Expenditures

L. Goodhue referred the Board to the draft resolutions set forth in the Agenda relating to the 2020 financing plan and the draft financing agreements, copies of which were included in the written materials. The financing plan was considered and approved earlier today at the Pennichuck Corporation Board meeting.

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

Resolved: that the financing plan for the financing of the capital expenditures of Pennichuck Water Works, Inc. (the “Company”) for 2019, 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:	\$ 7,500,000
Taxable or Tax-exempt Bonds in one or more Series OR Bank Credit Facility to fund Bond Issuance Costs – up to:	\$ <u>600,000</u>
Total 2020 Financing Plan:	\$ 8,100,000

(the “2020 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, Deborah Novotny and Preston J. Stanley, Jr., and alternate 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 2020 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 B.C. Ziegler and Company ("Ziegler") as the underwriter for any public offering of securities in connection with the 2020 Financing Plan and to negotiate the terms of a Bond Purchase Agreement(s) or similar agreements with Ziegler and the Business Finance Authority of the State of New Hampshire ("BFA"), relating to the 2020 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 2020 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 2020 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 Ziegler 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 2020 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 Ziegler an Official Statement(s) relating to any bonds to be issued under any Bond Purchase Agreement and Loan and Trust Agreement to effect the 2020 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 2020 Financing Plan, the Authorized Officers are hereby authorized, empowered and directed to finalize the terms of the 2020 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 2020 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 2020 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.

Bond Financing – 2020-2024 Capital Expenditures

The Chairman referred the Board to the draft resolution set forth in the Agenda relating to the bond financing of Pennichuck Water Works' 2020-2024 capital expenditures. The financing plan was discussed earlier today at the Pennichuck Corporation Board meeting. L. Goodhue indicated that management is seeking the Board's authorization to proceed with obtaining the required approvals to complete the application for issuance of the bonds.

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

Resolved: that management is hereby authorized to proceed with the following process and approvals required to complete the application for issuance of taxable or tax-exempt bonds for 2020-2024 capital needs for Pennichuck Water Works, Inc.:

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

Debt Restructuring Plan

The Chairman referred the Board to the draft resolution set forth in the Agenda relating to a debt restructuring plan consisting of the refinance of 2014 Series A and 2015 Series A&B bonded debt, the refinance of a note payable with American United Life Insurance, and the refill of the rate stabilization fund. The debt restructuring plan was discussed earlier today at the Pennichuck Corporation Board meeting. L. Goodhue indicated that management is seeking the Board's authorization to proceed with obtaining the required approvals to complete the debt restructuring plan.

On motion duly made by E. Dunn and seconded by J. Dore, all of the Directors present 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 2014 Series A and 2015 Series A&B bonded debt, the refill of the rate stabilization fund, and the refinance of the AULI Note Payable:

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

There being no further business to come before the Board, the meeting was adjourned at 9:26 a.m.

/s/ Suzanne L. Ansara
Suzanne L. Ansara
Corporate Secretary