

PENNICHUCK CORPORATION  
BOARD OF DIRECTORS  
MINUTES OF MAY 21, 2020 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Thursday, May 21, 2020 at 8:00 a.m.

Due to the COVID-19 virus and in accordance with the emergency stay at home order imposed by Governor Sununu, the meeting was held electronically using the Microsoft Teams platform, for the safety of the Board Members and Pennichuck employees. Telephone access to the meeting was provided for members of the public.

Pursuant to Governor Sununu’s Emergency Order #12 dated March 23, 2020, the requirement under RSA 91-A:2, III(b) that a quorum be physically present at a meeting has been waived.

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  
H. Scott Flegal  
Stephen D. Genest  
Jay N. Lustig  
John D. McGrath  
Deborah Novotny  
Preston J. Stanley, Jr.

Attending all or a portion of the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer  
Donald L. Ware, Chief Operating Officer  
Mary V. DeRoche, Human Resources Director  
Suzanne L. Ansara, Corporate Secretary  
George Torres, Corporate Controller and Treasurer  
Bernard Rousseau, Vice President, Sales and Service  
Steven Greenwood, IT Director  
Tara King, Revenue and Customer Operations Manager  
John Boisvert, Chief Engineer  
Christopher Countie, Director, Water Supply and Community Systems  
Alan Brown, Distribution Manager

S. Ansara recorded the minutes of the meeting.

The Chairman called the meeting to order.

#### Approval of Minutes

There being no comments on the draft minutes included in the written materials to the Board, on motion duly made by J. Dore and seconded by J. Lustig, all of the Directors then voting by roll call, it was unanimously

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

Resolved: that the minutes of the May 2, 2020 Annual Meeting of Sole Shareholder are hereby approved.

Resolved: that the minutes of the May 2, 2020 Annual Meeting of the Board of Directors are hereby approved.

Resolved: that the minutes of the May 2, 2020 Non-Public Session of the Board of Directors are hereby approved.

#### Financial Report – Pumpage, Cash Flow and Debt

G. Torres reviewed pumpage levels for the month of April. Pumpage of 278 million gallons was below the budgeted amount of 286 million gallons. He also reviewed the Company's consolidated balance sheet and cash flow statement through the month of April. A discussion took place relative to the rate stabilization fund.

#### Working Capital Line of Credit (WCLOC) – TD Bank

L. Goodhue reported that management met with TD Bank representatives on Tuesday. He said that the Bank is pushing to move the WCLOC to Pennichuck Water Works, as discussed at the last Board meeting. The Bank has concerns about subordination issues of having the WCLOC at Pennichuck Corporation. After discussing with the Bank the Company's concerns and considerations involved with moving the WCLOC to Pennichuck Water Works, including whether the PUC would accept such a change, the Bank indicated their willingness to grant the Company an extension of the expiration date of the WCLOC to December 31, 2020.

J. Lustig was not present for the vote.

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

Resolved: that the Board of Directors of Pennichuck Corporation (the “Company”) hereby consents to extending the expiration date of the Amended and Restated Loan Agreement and the Amended and Restated Revolving Note between the Company and TD Bank, N.A. dated April 27, 2018, from July 31, 2020 to December 31, 2020; and that Larry D. Goodhue, the Company’s Chief Executive Officer, or Donald L. Ware, the Company’s Chief Operating Officer, or George Torres, the Company’s Treasurer, are hereby severally authorized to execute any amendments to said Loan Agreement and Revolving Note on behalf of the Company to carry out the intent of this resolution.

#### Intercompany Refinance – PEU

L. Goodhue indicated that at the February 28, 2020 Board meeting, the Board voted to authorize the Company to refinance short term advances between the Company and Pennichuck East Utility, Inc. to long term notes payable. He said that he has revised the resolution adopted at the February meeting to add the words “up to” before \$5 million and before the interest rate of 3.5%, and is asking that the Board adopt the revised resolution.

J. Lustig was not present for the vote.

On motion duly made by S. Genest and seconded by E. Dunn, all of the Directors present then voting by roll call, it was unanimously

Resolved: that the Board of Directors of Pennichuck Corporation (the “Company”) hereby authorizes the Company to refinance the outstanding balance of short term advances of up to \$5.0 million between Pennichuck Corporation and Pennichuck East Utility, Inc. as existed on December 31, 2019, for a term of 30 years at an interest rate of up to 3.5% on a fully amortizing basis, converting short term obligations from PEU to the Company to long term notes payable.

#### CoBank – Fixed Asset Line of Credit (FALOC) Renewal

L. Goodhue stated that he is looking for the Board’s authority to negotiate the renewal of Pennichuck East Utility’s \$3 million FALOC with CoBank, ACB, which is due to expire on September 30, 2020. The FALOC is used to provide short term financing of PEU’s capital projects.

J. Lustig was not present for the vote.

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 Board of Directors of Pennichuck Corporation (the “Company”) hereby authorizes the Chief Executive Officer of the Company to negotiate the renewal of Pennichuck East Utility’s \$3 million Fixed Asset Line of Credit with CoBank, ACB, and secure all necessary approvals for said renewal with the NHPUC and the City of Nashua for a period of 3 years past the expiration date of the current FALOC which expires on September 30, 2020.

#### Compensation and Benefits Committee Report

S. Genest, Chairman of the Compensation and Benefits Committee, gave a report on the May 6 meeting of the Committee. He reported that the primary purpose of the meeting was to meet with Summit Financial for the semi-annual review of the pension and 401(k) investments. He indicated that both plans are still in good shape in spite of the volatile market due to the COVID-19 virus. At the meeting, Summit Financial reported to the Committee that MassMutual had inadvertently overcharged participants in the 401(k) plan and that they are working with MassMutual to rectify the issue.

#### Business Comments and Updates from the CEO

##### PWW Rate Case

L. Goodhue updated the Board on the Pennichuck Water Works rate case. He reviewed certain issues being discussed in the technical sessions between the Company, the PUC staff, the OCA and the City of Nashua. He indicated that progress has been made towards reaching a settlement agreement. A temporary rate hearing was held last week. Permanent rate hearings are scheduled for June 30 and July 1.

##### Financing Activities

L. Goodhue updated the Board on the financing activities taking place. An application to issue up to \$75 million in bonds for the debt restructuring plan has passed through the NH Business Finance Authority and is on the docket for review by the Governor and Executive Council in June. A petition was filed with the PUC on April 23.

##### New Headquarters

L. Goodhue reported that construction is progressing on the new headquarters. The new parking lot has been completed. The interior building has been gutted, partitions have been built and work is taking place on installing the wiring. The project is on track for a move in November or December. There was a brief discussion regarding the interior floor plan relative to the COVID-19 virus.

## COVID-19 Virus

L. Goodhue reported that most employees are continuing to work from home. He does not expect that to change any time soon. All employees who are working in the field continue to take the necessary precautions. Masks and sanitizers are available to employees who periodically go in the office. Thermometers have been ordered. Daily health surveys and thermometers, when received, will be made available to employees when they enter any of the buildings. L. Goodhue said that a quarterly meeting with all employees was held this week, with at least 77 employees joining in on Microsoft Teams.

Each manager discussed the protocols that are being following by their employees. Social distancing is being practiced whenever anyone comes into the company's facilities. Full PPE is worn by all employees working in the field. Construction work is continuing. Night flushing is taking place. Most work is being done remotely from home. The managers indicated that they have not had any problems in getting work done. Employees are kept informed regarding seminars on stress and reminded about access to the Employee Assistance Program.

J. Dore mentioned that management should look into whether the Company could have any tax exposure if some employees working from home live in states other than New Hampshire.

The Board questioned whether any modifications have been made to the internal controls since most work is being done remotely. L. Goodhue indicated that the controls have not been changed, but the manner in which people are complying with the controls has been altered.

The meeting was recessed at 9:40 a.m. to hold meetings of the Company's subsidiaries.

The meeting was reconvened at 9:57 a.m.

Present were the Board of Directors and S. Ansara.

### Move to Non-Public Session

D. Bernier moved that the Board enter into non-public session to discuss (i) matters which if discussed in public would likely affect adversely the reputation of a person pursuant to RSA 91-A:3, II(a) and (ii) confidential or financial information pursuant to RSA 91-A:3, II(j). E. Dunn 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. Flegal, S. Genest, T. Leonard,  
J. Lustig, J. McGrath, D. Novotny, P. Stanley

Nay:

Motion was carried to enter into non-public session at 10:00 a.m.

Reconvene in Public Session

The non-public session ended at 10:50 a.m. and the Board reconvened in public session. J. McGrath was not present.

S. Genest moved that the Board seal the minutes of the non-public session under RSA 91-A:3, II(a) and RSA 91-A:3, II(j). E. Dunn 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. Flegal, S. Genest, T. Leonard,  
J. Lustig, D. Novotny, P. Stanley

Nay:

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

There being no further business to come before the Board, the meeting was adjourned at 10:52 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara  
Corporate Secretary