

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF JUNE 26, 2020 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, June 26, 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
Carol Ann Howe, Assistant 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 D. Bernier, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the May 21, 2020 meeting of the Board of Directors are hereby approved.

Resolved: that the minutes of the May 21, 2020 Annual Meeting of Shareholder for the Company's subsidiaries are hereby approved.

Discussion – Impact of COVID-19 Virus on Business Operations

L. Goodhue provided a detailed response to the Board's concerns relating to the impact of the COVID-19 virus on the Company's short term and long term business operations. He discussed the impact of the virus on revenues, major suppliers, pumpage, collections, PUC decisions/orders, and the bond market, and the impact of the virus on employees. He also discussed the Company's presentation to the Public Utilities Commission in response to the Commission's Investigation into the Effects of the COVID-19 Emergency on Utilities and Utility Customers, a copy of which was included in the written materials to the Board.

May 2020 Financial Report – Pumpage, Balance Sheet and Cash Flow

G. Torres reviewed pumpage levels for the month of May. Pumpage of 417 million gallons was above the budgeted amount of 411 million gallons. He also reviewed the Company's consolidated balance sheet and cash flow statement through the month of May.

Dividend to Sole Shareholder

L. Goodhue indicated that management is recommending that the Board approve the payment of a quarterly dividend to the City of Nashua. The dividend will supplement the monthly interest and note payment made by the Company to the City of Nashua for the funding of the City's acquisition debt.

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

Resolved: that a dividend in the amount of \$70,004.01 be paid to the sole shareholder of record, the City of Nashua, New Hampshire, on August 6, 2020.

PWW Rate Case

L. Goodhue updated the Board on the progress of the Pennichuck Water Works rate case. He indicated that hearings are scheduled with the PUC on June 30 and July 1. He is hopeful to have permanent rates in place in the October timeframe.

PUC Order – Investigation Into Effects of COVID-19 on Utilities and Utility Customers

L. Goodhue reported that the Public Utilities Commission issued an Order of Notice to investigate the impacts of the COVID-19 pandemic on New Hampshire public utilities and on their customers. A copy of Pennichuck's presentation to the PUC in response to the Order was included in the written materials to the Board, and relate to customer and employee safeguards, sales forecasts, collection concerns, financing concerns, capital projects, and lessons learned. Ongoing monthly written responses to requests set forth in the Order are required to be filed with the PUC until further notice.

401(k) Plan – MassMutual Overcharge

L. Goodhue reported that Summit Financial had discovered that MassMutual was overcharging participants for fees under the 401(k) Plan. MassMutual has completed their analysis of the impact on participants and has taken corrective actions. All participant accounts have been made whole for the monies they were overcharged. Information on an individual by individual basis will be provided to the Company in order to respond to any employee questions. As compensation for the fact that they made an error, MassMutual has reduced their 16 basis points fee to 13 basis points on a going forward basis. MassMutual has apologized for the inadvertent error and has put steps in place to make sure it doesn't happen again.

New Headquarters

L. Goodhue updated the Board on the construction of the Company's new headquarters on Walnut Street in Nashua. Partition walls are up, sheetrock has a first coat, electrical and plumbing has been roughed in, and the steel work for the addition has been built up. The project is on track for a move in November.

Litchfield – Manganese Issue

D. Ware reported on an issue in Litchfield relating to the build-up of manganese in the water mains, which is causing incidents of colored water. He explained the reasons for the build-up of the manganese. The Company has been doing more flushing of the mains over the last two weeks. D. Ware reported that there is no health issue related to the colored water and that there is no lead in the water. A communication will be sent to the Company's customers in Litchfield explaining the situation and to assure them that the water is safe. Management will be giving a presentation on the issue at a Board of Selectmen meeting in July.

Cost of Water

There was a discussion relative to the cost of Pennichuck water compared to other areas of the country. The average monthly cost of water for Pennichuck residential customers is approximately \$55.00. The cost will be impacted as standards change. The arsenic standard is expected to change in July 2021, which will require additional treatment at additional cost.

Move to Non-Public Session

E. Dunn 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(c); (ii) the promotion or compensation of employees pursuant to RSA 91-A:3, II(a), and (iii) 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. Flegal, S. Genest, T. Leonard,
J. Lustig, J. McGrath, D. Novotny, P. Stanley
Nay:

Motion was carried to enter into non-public session at 9:55 a.m.

Reconvene in Public Session

The non-public session ended at 10:19 a.m. and the Board reconvened in public session.

J. McGrath moved that the Board seal the minutes of the non-public session under RSA 91-A:3, II(a), RSA 91-A:3, II(c) and 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. Flegal, S. Genest, T. Leonard,
J. Lustig, J. McGrath, 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 10:25 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary