

PENNICHUCK WATER WORKS, INC.

PRICING COMMITTEE
MINUTES OF APRIL 20, APRIL 22 AND APRIL 23, 2020 NON-PUBLIC SESSIONS

Non-public sessions of the Pricing Committee (“Committee”) of the Board of Directors of Pennichuck Water Works, Inc. (“Company”) were held beginning on Monday, April 20, 2020 at 4:52 p.m.

Written materials relating to items listed in the Agenda were provided to the Committee members prior to, or during, the non-public sessions.

The following persons were in attendance for the non-public session beginning on April 20, 2020:

Committee Members:	C. George Bower (joined at 4:58 p.m.) Thomas J. Leonard Jay N. Lustig Deborah Novotny Preston J. Stanley, Jr. Elizabeth A. Dunn
Company:	Larry D. Goodhue, Chief Executive Officer Donald L. Ware, Chief Operating Officer Suzanne L. Ansara, Corporate Secretary George Torres, Corporate Controller Carol Ann Howe, Assistant Treasurer Jay Kerrigan, Treasury/Regulatory Analyst
Rath, Young & Pignatelli:	Attorney Paul Burkett Attorney Alexandria Russell
B.C. Ziegler & Company:	Ike Papadopoulos, Managing Director Joseph Crowley, Director John Evans, Analyst Adam Buchanan, Director and Head Underwriter Brian Riordan

Mr. Buchanan indicated that crude oil prices had dropped dramatically on Monday to -\$16.00 a barrel. The bond market has paused in reaction to the drop. He said that he expects the market to level out and is still confident that pricing of the bonds can get done. He suggested to meet again on Wednesday, April 22, 2020, to pre-price the bonds.

The Committee agreed to reconvene the non-public session on Wednesday, April 22, 2020 at 4:30 p.m. for the pre-pricing call. The non-public session was recessed at 5:02 p.m.

The non-public session was reconvened on Wednesday, April 22, 2020, at 4:30 p.m.

Present from the Pricing Committee were G. Bower, T. Leonard, J. Lustig, D. Novotny, P. Stanley and E. Dunn; from the Company were L. Goodhue, S. Ansara, G. Torres, C. Howe and J. Kerrigan; from Rath, Young & Pignatelli were Attorney Burkett and Attorney Russell; from Ziegler were I. Papadopoulos, J. Crowley, J. Evans, A. Buchanan and B. Riordan; and from Hinckley Allen were Kris Moussette and Tony Martini.

Mr. Buchanan stated that the purpose of the meeting was to review preliminary pricing of the tax-exempt and taxable bonds. He gave an update on the market. He indicated that global oil prices rallied on Wednesday to \$21.50 a barrel and that he was confident that the deal will get done.

Mr. Papadopoulos reviewed the anticipated pricing sheet (marked “Wire Details 4/22/20 7:47 A.M. Ziegler – Revised Anticipated Pricing”) for the taxable and tax-exempt bonds, and reviewed the pre-pricing wire document (marked Wire Apr 22, 2020 12:40 pm Prepared by Ziegler”), which documents were provided to the Committee Members prior to the beginning of the meeting. He referred the Committee to page 6 of the pre-pricing wire which reflected a preliminary all-in TIC (true interest cost) of 4.08%.

Ms. Moussette indicated that Hinkley Allen would need a week from the date of pricing of the bonds to prepare for the closing. It was agreed to aim for a closing on April 29.

The Committee agreed to reconvene the non-public session on Thursday, April 23, 2020 at 8:45 a.m. for the pricing call. The non-public session was recessed at 4:53 p.m.

The non-public session was reconvened on Thursday, April 23, 2020 at 8:45 a.m.

Present from the Pricing Committee were G. Bower, T. Leonard, J. Lustig, D. Novotny, P. Stanley and E. Dunn; from the Company were L. Goodhue, D. Ware, S. Ansara, G. Torres, C. Howe and J. Kerrigan; from Rath, Young & Pignatelli were Attorney Burkett and Attorney Russell; from Ziegler were I. Papadopoulos, J. Evans, A. Buchanan and B. Riordan; from Hinckley Allen was T. Martini; and from Harrington & Vitale, Ltd. were Chris Vitale and Cecelia Pelkey.

The Committee was provided with revised pricing information (marked “Apr 23, 2020 8:16 am Prepared by Ziegler”). Mr. Buchanan indicated that there was some change to the pricing discussed yesterday. The revised pricing reflects an all-in TIC of 4.261869%. He said that the market is still volatile and there are limited dollars available for municipal securities. He indicated that there are a few investors who are looking hard at the transaction. The plan is to open the order book at 9:30 a.m. and run it in the marketplace for an hour and a half. He said that there could be some structural changes. A brief discussion ensued.

The Committee members, by roll call, gave their unanimous consent to Ziegler to enter the market with the revised pricing as presented.

The Committee agreed to recess the non-public session until Thursday, April 23, 2020, at 12:00 p.m. The non-public session was recessed at 9:15 a.m.

The non-public session was reconvened at 12:00 p.m. on Thursday, April 23, 2020.

Present from the Pricing Committee were G. Bower, T. Leonard, J. Lustig, D. Novotny, P. Stanley and E. Dunn; from the Company were L. Goodhue, D. Ware, S. Ansara, G. Torres, C. Howe and J. Kerrigan; from Rath, Young & Pignatelli were Attorney Burkett and Attorney Russell; from B.C. Ziegler were I. Papadopoulos, J. Crowley, J. Evans, and A. Buchanan; and from Harrington & Vitale, Ltd. were Chris Vitale and Cecelia Pelkey.

Mr. Buchanan reported that the marketing of the bonds was successful and that a deal has been made with 2 major institutions. The all-in TIC is 4.261869%. He indicated that there was a lot of interest in the deal from the insurance side, but their covenants were too restrictive.

Mr. Buchanan asked the Committee for a verbal award to proceed with closing on the pricing.

The Committee members, Pennichuck management, and Attorney Burkett and Attorney Russell left the conference call and reconvened via Microsoft Teams.

The Committee discussed the pricing of the deal. It was the consensus of the Committee members and management that the outcome was good given the current state of the markets, the COVID-19 virus, and the recent collapse in oil prices.

Attorney Russell referred the Committee to the draft resolutions in the Agenda. She said that the Committee needs to adopt the resolutions to bind the activities that have taken place. Attorney Russell provided the final pricing numbers for the resolutions.

There being no further discussion, on motion duly made by J. Lustig and seconded by T. Leonard, all of the members of the Pricing Committee then voting by roll call, it was unanimously

Resolved: That the Company shall enter into financing arrangements with the State of New Hampshire Business Finance Authority (“BFA”) under which the Company will borrow from the BFA the proceeds of the sale of unsecured tax-exempt bonds in an aggregate principal amount of \$7,084,506.00 (the “Tax-Exempt Bonds”).

Further

Resolved: That the Tax-Exempt Bonds will be dated the date of their original issue and will bear interest from the date of their initial delivery and thereafter from and including the most recent date to which interest has been paid.

Further

Resolved: That the Tax-Exempt Bonds shall be sold at a purchase price, shall bear interest at a rate, and shall have such other terms, as are provided in the pricing sheet attached hereto as Exhibit A (the “Pricing Sheet”).

Further

Resolved: That all (but not less than all) of the Tax-Exempt Bonds shall be sold to the Underwriters pursuant to a Bond Purchase Agreement at an aggregate purchase price equal to \$7,020,386.00 (such purchase price being the original principal amount of the Tax-Exempt Bonds plus the net original issue premium of \$84,506.00 on the Tax-Exempt Bonds and minus an Underwriters’ discount of \$64,120.00).

Further

Resolved: That the officers of the Company are authorized, empowered and directed to take such other actions and to execute and deliver such other documents, instruments or agreements as in the opinion of the officer or officers so acting or in the opinion of counsel, are necessary or desirable to effect the borrowings contemplated by the foregoing resolutions and to carry out the purposes of such resolutions, the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions.

Further

Resolved: That any actions taken by the officers of the Company 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.

On motion duly made by T. Leonard and seconded by G. Bower, all of the members of the Pricing Committee then voting by roll call, it was unanimously

Resolved: That the Company shall enter into financing arrangements with the State of New Hampshire Business Finance Authority (“BFA”) under which the Company will borrow \$377,446.40 from BFA as the proceeds of the sale of a series of unsecured taxable bonds (the “Taxable Bonds”).

Further

Resolved: That the Taxable Bonds will be dated the date of their original issue and will bear interest from the date of their initial delivery and thereafter from and including the most recent date to which interest has been paid.

Further

Resolved: That the Taxable Bonds shall be priced at par, shall bear interest at a rate specified in the pricing sheet attached hereto as Exhibit A (the “Pricing Sheet”) from their date of issuance and shall have such other terms as are provided in the Official Statement (as defined below) and in the Pricing Sheet.

Further

Resolved: That all (but not less than all) of the Taxable Bonds shall be sold to the Underwriters pursuant to a Bond Purchase Agreement at an aggregate purchase price equal to \$373,965.60 (such purchase price being the original principal amount of the Taxable Bonds minus an original issue discount of \$2,553.60 on the Taxable Bonds and minus an Underwriters' discount of \$3,480.80).

Further

Resolved: That the Official Statement for the Taxable Bonds and Tax-Exempt Bonds (as defined in Pennichuck Water Works, Inc. – Pricing Committee Resolutions dated April 23, 2020), dated April 23, 2020 (the “Official Statement”), insofar as it relates to the Company and the transactions contemplated by the foregoing resolutions, be and they are hereby approved in substantially the form attached hereto as Exhibit B, and that the officers of the Company be and they are severally authorized and directed to approve, in the name and on behalf of the Company, the distribution of said Official Statements with such changes therein as may be approved by an officer of the Company.

Further

Resolved: That the officers of the Company are authorized, empowered and directed to take such other actions and to execute and deliver such other documents, instruments or agreements as in the opinion of the officer or officers so acting or in the opinion of counsel, are necessary or desirable to effect the borrowings contemplated by the foregoing resolutions and to carry out the purposes of such resolutions, the taking of such actions and the execution and delivery of such documents to be sufficient and conclusive evidence that the same are within the authority conferred by these resolutions.

Further

Resolved: That any actions taken by the officers of the Company 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.

The Pricing Committee, Pennichuck management team and Attorney Burkett and Attorney Russell then reconnected to the teleconference call with Ziegler at 12:27 p.m.

S. Ansara reported that the Pricing Committee approved the resolutions verifying the sale of the bonds.

The Pricing Committee, by roll call, then gave their unanimous verbal consent to Ziegler to finalize the pricing of the bonds as presented.

Ziegler accepted the verbal award and will proceed to close on the pricing.

Mr. Papadopoulos indicated that the closing for the bonds will take place on April 29. He congratulated all on the outcome.

There being no further business to discuss in non-public session, on motion duly made by E. Dunn and seconded by J. Lustig, all of the Committee members then voting by roll call, it was unanimously agreed to end the non-public session at 12:30 p.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary