

PENNICHUCK WATER WORKS, INC.

PRICING COMMITTEE
MINUTES OF AUGUST 25 AND AUGUST 26, 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 Tuesday, August 25, 2020 at 4:08 p.m. by conference call.

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 present:

Committee Members:	C. George Bower James P. Dore Elizabeth A. Dunn H. Scott Flegal Jay N. Lustig Preston J. Stanley, Jr.
Company:	Larry D. Goodhue, Chief Executive Officer Donald L. Ware, Chief Operating Officer Suzanne L. Ansara, Corporate Secretary George Torres, Corporate Controller and Treasurer Carol Ann Howe, Assistant Treasurer Jay Kerrigan, Treasury/Regulatory Analyst
Rath, Young & Pignatelli:	Attorney Paul Burkett Attorney Alexandria Russell
B. C. Ziegler and Company:	Ike Papadopoulos, Managing Director Joseph Crowley, Director John Evans, Analyst Adam Buchanan, Director & Head Underwriter
Hinckley Allen:	Shasky Clarke
Harrington & Vitale, Ltd:	Chris Vitale

Pre-Pricing Call

Mr. Papadopoulos stated that the purpose of the meeting was to review preliminary pricing of the bonds and to give a view of current market conditions. He referred the Committee to the 47-page pre-pricing analysis document (marked “August 25, 2020, 11:20 a.m. Prepared by Ziegler”), which was provided to the Committee members prior to the meeting. He reviewed page 1 of the analysis, stating that the issuance of bonds in the amount of approximately \$75 million will be used to fund new money for the rate stabilization fund, refund the AULI loan, and refund the series 2014A, series 2015A and series 2015B bonds.

Mr. Buchanan reviewed the current market conditions and reviewed the interest rates shown on page 18 of the analysis. He indicated that the analysis is a conservative review of what they hope to accomplish tomorrow when they launch the transaction to the marketplace.

After a brief discussion, it was agreed to reconvene the non-public session on Wednesday, August 26, 2020 at 9:00 a.m. for the pricing call. The non-public session was recessed at 4:34 p.m.

Pricing Call

The non-public session was reconvened on Wednesday, August 26, 2020, at 9:00 a.m.

Present from the Pricing Committee were G. Bower, J. Dore, E. Dunn, S. Flegal, J. Lustig, and P. Stanley; 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; and from Ziegler were I. Papadopoulos, J. Crowley, J. Evans and A. Buchanan.

Mr. Buchanan indicated that he did not anticipate any change to the numbers in the pre-pricing analysis reviewed at yesterday’s meeting. He said that the treasury market is stable and he does not expect a change. Mr. Papadopoulos indicated that results will be circulated to the Committee prior to today’s award call scheduled for 12:00 p.m.

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

The Committee agreed to reconvene the non-public session on Wednesday, August 26 at 12:00 p.m. for the award call. The non-public session was recessed at 9:16 a.m.

Award Call

The non-public session was reconvened on Wednesday, August 26, 2020 at 12:00 p.m.

Present from the Pricing Committee were G. Bower, J. Dore, E. Dunn, S. Flegal, J. Lustig, and P. Stanley; from the Company were L. Goodhue, S. Ansara, G. Torres and C. Howe; from Rath, Young & Pignatelli were Attorney Burkett and Attorney Russell; from Ziegler were I. Papadopoulos and A. Buchanan.

Mr. Buchanan reported that the marketing of the bonds was successful and that a deal has been made at better pricing than what was predicted yesterday. The Committee was provided with revised pricing information (marked “August 26, 2020 7:27 a.m. Prepared by Ziegler). He referred the Committee to page 2 of the revised pricing document which reflected a preliminary all-in TIC (true interest cost) of 4.01%. A brief discussion ensued. Mr. Buchanan asked the Committee for a verbal award to proceed with closing on the pricing.

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

Mr. Papadopoulos accepted the verbal award on behalf of Ziegler and will proceed to close on the pricing. He indicated that the closing for the bonds will take place on September 2. He congratulated all on the outcome.

The conference call ended at 12:07 p.m.

Adoption of Resolutions

At 12:08 p.m., the non-public session was reconvened via Microsoft Teams. Present were Committee Members G. Bower, J. Dore, E. Dunn, S. Flegal, J. Lustig and P. Stanley; from the Company were L. Goodhue, S. Ansara, G. Torres and C. Howe; and from Rath, Young & Pignatelli were Attorney Burkett and Attorney Russell.

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 S. Flegal, 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 not more than \$75,000,000 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 not more than \$75,000,000 (such purchase price being the original principal amount of the Taxable Bonds minus an Underwriters' discount).

Further

Resolved: That the Official Statement for the Taxable Bonds dated August 26, 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 Refunding Trust Agreement among the Business Finance Authority of the State of New Hampshire, the Company and The Bank of New York Mellon Trust Company, N.A. (the "Refunding Trust Agreement"), which provides for the use of a portion of the proceeds from the Taxable Bonds to refund the Business Finance Authority of the State of New Hampshire Water Facility Revenue Bonds (Pennichuck Water Works, Inc. Project) Series 2014A, the Business Finance Authority of the State of New Hampshire Water Facility Revenue Bonds (Pennichuck Water Works, Inc. Project) Series 2015A (AMT) and the Business Finance Authority of the State of New Hampshire Water Facility Revenue Bonds (Pennichuck Water Works Inc. Project) Series 2015B (Non-AMT) (collectively, the "Refunded Bonds") is hereby approved in substantially the form attached hereto as Exhibit C, and the officers of the Company be and they are severally authorized and directed to execute and deliver the Refunding Trust Agreement, with such changes therein as may be approved by an officer of the Company.

Further

Resolved: That in accordance with the Refunding Trust Agreement, the officers of the Company be and they are severally authorized and directed to approve, in the name of the Company, as the officer or officers so acting deem necessary or advisable, the purchase of State and Local Government Series Securities or open market securities by The Bank of New York Mellon Trust Company, N.A., as Refunding Trustee under the Refunding Trust Agreement to be placed in the Refunding Trust Fund (as defined in the Refunding Trust Agreement) and used to refund the Refunded Bonds as set forth in the Refunding Trust Agreement.

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.

Approval of Non-Public Session Minutes

There being no comments on the draft minutes of the April 20, 22 & 23, 2020 non-public session minutes of the Pricing Committee, on motion duly made by J. Lustig and seconded by J. Dore, all of the Committee members then voting by roll call, it was unanimously

Resolved: that the sealed minutes of the April 20, 22 & 23, 2020 non-public sessions of the Pennichuck Water Works, Inc. Pricing Committee are hereby approved.

There being no further business to discuss in non-public session, on motion duly made by J. Lustig and seconded by J. Dore, all of the Committee members then voting by roll call, it was unanimously agreed to end the non-public session at 12:11 p.m.

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