

PENNICHUCK CORPORATION  
BOARD OF DIRECTORS  
MINUTES OF MARCH 26, 2021 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, March 26, 2021 at 8:00 a.m.

Due to the COVID-19 virus and in accordance with the state of emergency declared 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.

By roll call, the following Directors were present for the start of the meeting, constituting a quorum. Each director stated that they were alone.

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 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 and Treasurer  
Carol Ann Howe, Assistant Treasurer  
Tara King, Revenue and Customer Operations Manager  
Steven Greenwood, IT Director  
John Boisvert, Chief Engineer  
Chris Countie, Director, Water Supply and Community Systems  
Alan Brown, Distribution Manager  
Daniel Wojcik, Director of Sales, PWSC

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 of the February 26, 2021 Board meeting, on motion duly made by D. Bernier and seconded by J. Lustig, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the February 26, 2021 meeting of the Board of Directors are hereby approved.

### Pumpage / Capital Expenditures

G. Torres reviewed the pumpage chart and summary of capital expenditures as of February 2021. Pumpage for the month of February (232 million gallons) was below budget (252 million gallons). Capital expenditures of \$0.4 million were below the budgeted amount of \$0.5 million.

### 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. Dore and seconded by J. Lustig, all of the Directors then voting by roll call, it was unanimously

Resolved: that a dividend in the amount of \$69,713.69 be paid to the sole shareholder of record, the City of Nashua, New Hampshire, on April 23, 2021.

### Report of the Nominating and Governance Committee

E. Dunn, Chairman of the Nominating and Governance Committee, gave a report on the Committee's March 22 meeting. She said that the Committee was presented with draft proxy material for the 2021 Annual Meeting of Sole Shareholder for review. The Committee resolved to recommend to the Board of Directors that the proxy material be approved.

### Approval of Proxy Material

After a brief discussion, and based on the recommendation of the Nominating and Governance Committee, on motion duly made by S. Flegal and seconded by E. Dunn, all of the Directors then voting by roll call, it was unanimously

Resolved: that the draft Proxy Card, Notice of Annual Meeting and Proxy Statement for the 2021 Annual Meeting of Sole Shareholder, as presented at this meeting, are hereby approved; and that the Chief Executive Officer and the Corporate Secretary are each hereby authorized to make such changes as they deem necessary and appropriate.

### Report of the Communications Committee

J. Lustig, Chairman of the Communications Committee, reported on the Committee's March 22 meeting. He said that the Committee discussed the Company's current relationship with its shareholder, and discussed communications with communities served by PEU and PAC.

## Report of the Audit, Finance and Risk Committee

J. Dore, Chairman of the Audit, Finance and Risk Committee, gave a report on the Committee's March 23 meeting. He said that the Committee met with representatives of Melanson, the Company's independent auditors, to review in detail the draft of the Company's 2020 audited financial statements. The Company received a clean, unmodified opinion from Melanson. He said that Melanson reported that the audit went very well and that management had been cooperative throughout the audit, despite all of the challenges presented by the COVID restrictions. The SBA's Paycheck Protection Program loan disclosure was discussed and management informed the Committee that the Company has not yet applied for loan forgiveness, though it was expected to be given. Melanson confirmed that the Company was not yet required to apply for the forgiveness. The loan is recorded as a long term debt, and once forgiven, it will be presented as Other Income. The tax implications of the Paycheck Protection Program loan were discussed. Management informed the Committee that the new lease standards for operating leases has been deferred until the end of 2022 and management is considering the implications. J. Dore reported that the Committee approved the 2020 audited financial statements for release. The Committee was presented with a draft of the Annual Report to Sole Shareholder, and had no comments or changes. The Committee was also given a presentation on the 2020 Internal Controls review. There were 109 controls tested and no exceptions were noted, which is the first time there have been no exceptions since such testing was implemented. The review was accepted by the Committee. The Committee was reminded that testing of IT general controls were deferred until 2021 due to the move of the corporate headquarters in 2020 and also due to COVID restrictions. J. Dore reported that the Committee requested that the Company's IT Director provide the Committee with an update covering where the IT and applications Company-wide integration stand and the status of the ISO 27001 gap findings with particular emphasis on critical and high-risk areas that need to be addressed as well as the Company's efforts in regard to cyber security; the presentation to be given sometime in 2021 rather than wait until the 2021 internal control testing which would not be until Q1 2022.

## Annual Report to Sole Shareholder

L. Goodhue referred the Board to the draft Annual Report to Sole Shareholder, a copy of which was included in the written materials. He indicated that the Annual Report will be delivered to the sole shareholder along with a copy of the audited financial statements next week. The Annual Report has been reviewed by the Audit, Finance and Risk Committee. The Board had no comments on the draft.

On motion duly made by D. Novotny and seconded by G. Bower, all of the Directors then voting by roll call, it was unanimously

Resolved: that the draft Annual Report to Sole Shareholder, substantially in the form presented at this meeting, is hereby approved.

## Business Updates and Comments from Management

Rate Cases – L. Goodhue updated the Board on the progress of the PEU and PAC rate cases. A temporary rate hearing was held on March 10 for PAC. A technical session relative to the PEU rate case was held on March 23. The Company has responded to the first round of data requests for the PEU rate case received from the Staff and from the attorney representing the Towns of Litchfield, Londonderry and Hooksett. A supplement to the data requests was recently received and management will be responding next week.

QCPAC – L. Goodhue reported that the PUC Staff recently issued its recommendation letter for the 2020 QCPAC filing for PEU. Waiting on a final order from the PUC Commission. Management is still waiting on a Staff recommendation letter for the 2020 QCPAC filing for PWW.

Woodmont Commons – L. Goodhue reported that a PUC Staff recommendation letter was issued in March on the Woodmont Commons special contract, which has been over a year in process. Waiting on a final order from the PUC Commission.

COVID-19 – L. Goodhue reported that protocols remain in place. He said that he has been meeting one-on-one with members of the senior management team to discuss departmental and individual considerations relating to a phase-in re-entry plan over the next few months. In response to questions from the Board, L. Goodhue said that there will be no mandate for employees to get a vaccine, and the same protective measures in effect for employees in the field will continue going forward. Mask wearing, social distancing and good hygiene habits will continue to be emphasized.

Bond Offering – L. Goodhue reported that pre-pricing of the bonds for the 5-year financing plan will be on Monday, March 29, and pricing of the bonds will be on Tuesday, March 30. The closing will be held on April 1.

Engineering – J. Boisvert reported that two large projects have been carried over into 2021 from 2020, the tank replacement at Kessler Farm and main replacements at Coburn Woods. The Kessler Farm tank replacement project is underway, the current tank has been taken down and removal of the foundation will begin. At Locke Lake, treatment of the surface water is ready to begin. Management has met with the Locke Lake Colony Association and updated them on the project. Engineering is also prepping for 2022 projects, with a lot of water main replacements scheduled. Engineering is also supporting CMMS asset management activities.

Water Supply – C. Countie indicated that due to the mild winter, there were no events that caused disruptions to power supplies. Since there was not a lot of snow accumulation to recharge groundwater, there is some indication that the groundwater supplies are not going to be quite fully recovered to what the Company would like to see in the spring time. From the main core system perspective, there are 3 pumps operational at the Merrimack River. Engineering is finishing the project to put in a switch gear and finalize the Merrimack River station project so that there will be redundancy in both power and in pumping. From the perspective of capital projects, the dam projects for the Harris and Supply ponds are budgeted for this year. They are contingent upon the approval of the Dam Bureau of the DES approving the re-classification of the Bowers Dam which has yet to be resolved. Once resolved, the permitting process can move forward to raise the earthen embankment on the Harris dam this year and to install a concrete wall along another section of that embankment.

Distribution – A. Brown reported that distribution is prepping for flushing season, night flushing to begin April 11 and day flushing to begin April 5. He expects 8 weeks of night flushing and probably 6-8 weeks of day flushing. He said that distribution did a full flush in Litchfield last year in two phases and will do a full flush in Litchfield again this year during the day. Notification to customers will be by website, Facebook page, and messaging through the MUNIS customer service system. Distribution is also prepping for the construction season and the continuing City paving project. Distribution staff has been down 2-3 people for about a year; a new person will be starting in April.

Human Resources – M. DeRoche reported on training for employees. A professional development series for management using UNH services has just begun. A program for others will begin in the spring. A grant obtained during 2020 under the NH job funds training program can be used through the end of 2021. The plan is to offer Microsoft, basic Excel and PowerPoint training through Nashua Community College. If the pandemic continues to ease, the training will be held in distribution's training room. She indicated that the Company will also move forward with another UNH program that was under the 2020 grant called Enhancing Professional Presence. A. Brown is working on getting CDL training done internally, which training is also part of the 2020 grant. The new LMS training platform is being used for annual compliance training.

Information Technology – S. Greenwood reported on activities in IT. He said that IT continues to be diligent in giving updates to employees on different ways companies are being attacked so that they can avert those types of situations as best as possible. IT will be installing a secondary internet line at distribution this year to prevent the loss of the phone system and remote communications for all users working remotely in the event the internet line at the main office facility goes down.

Treasury/Regulatory – C. Howe reported that the internal controls review project is complete as reported by Jim Dore earlier today and that no exceptions were found and there were no management letter comments. An operational review of the emergency action plans was done two years ago and she plans to do a review again sometime this year. On the regulatory side, she is busy with responding to data requests for the rate cases, and working on other PUC required filings, and the monthly COVID report to the PUC.

Customer Service – T. King reported that the Company's new Facebook page has been going well. The Facebook page is used mainly as a portal to get information out to customers rather than to use for discussions with customers. She said that the Company's notification system is working well and has been promoted in mailings to customers. The notification system will be used for notifying customers about flushing. She indicated that the Company has received a great response to the new on-line payment system put in place last year and the save payment options have been welcomed by many. T. King said that there have been no disconnections for non-payment in over a year, but that starting on March 15, the Company began sending out notices to customers regarding non-payment and disconnects will begin on April 12. Customer Service has been working with customers that have called in to put them on payment plans to enable them to get caught up over a period of time. The minimum payment plan based off of conversations with the PUC in regards to the COVID issues with disconnects is 12 months.

J. Lustig left the meeting at 8:56 a.m.

Accounting – G. Torres said that the accounting group is currently working on the February close. He said that they are continuing to look for efficiencies within the group, and are currently looking at the possibility of some automation with the accounts payable functionality to speed up the process. The accounting group continues to provide rate case support and is currently working through data requests. As to the workforce, there are 2 individuals working in new roles. The accounting group continues to work mainly in a remote environment with a few employees coming into the office two times a week.

PWSC – D. Wojcik updated the Board on the Plaistow RFP. He said that Don Ware and himself interviewed with the Town Manager and Underwood Engineering last week. The interview went well. A presentation will be given to the Plaistow Board of Selectmen who will be making the final decision.

Water Issues – There was a discussion relative to reports of brownish water in Ward 3. L. Goodhue said that he has had conversations with Alderman Klee and Alderman Law regarding this issue.

L. Goodhue, M. DeRoche, G. Torres, C. Howe, T. King, S. Greenwood, J. Boisvert, C. Countie, A. Brown and D. Wojcik left the meeting at 9:08 a.m.

Move to Non-Public Session

S. Genest moved that the Board enter into non-public session to (i) discuss the promotion or compensation of employees pursuant to RSA 91-A:3, II(a) and (ii) discuss matters, which if discussed in public, would likely affect adversely the reputation of a person pursuant to RSA 91-A:3, II(c). J. McGrath seconded the motion.

A roll call of the Directors was taken, which resulted as follows:

Yea: G. Bower, J. Dore, E. Dunn, S. Flegal, S. Genest, T. Leonard,  
J. McGrath, D. Novotny, P. Stanley

Nay:

Motion was carried to enter into non-public session at 9:09 a.m.

Reconvene in Public Session

The non-public session ended at 9:26 a.m. and the Board reconvened in public session. Present were the Directors and S. Ansara.

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(c). J. Lustig 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 9:29 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara  
Corporate Secretary