

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF OCTOBER 22, 2021 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, October 22, 2021 at 8:00 a.m. at the Company’s offices at 25 Walnut Street, Nashua, New Hampshire.

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 start of the meeting, constituting a quorum:

Thomas J. Leonard, Chairman
David P. Bernier (telephonically)
C. George Bower (telephonically)
James P. Dore
Elizabeth A. Dunn
H. Scott Flegal
Stephen D. Genest
Jay N. Lustig
John D. McGrath
Deborah Novotny (telephonically)
Preston J. Stanley, Jr.

D. Bernier, G. Bower and D. Novotny stated the reasons they could not attend the meeting in person, that they were alone and could hear the proceedings.

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 (via Microsoft Teams)
Suzanne L. Ansara, Corporate Secretary
George Torres, Corporate Controller and Treasurer
Carol Ann Howe, Assistant Treasurer (via Microsoft Teams)
Steven Greenwood, IT Director
Tara King, Revenue and Customer Operations Manager (via Microsoft Teams)
John Boisvert, Chief Engineer
Alan Brown, Distribution Manager (via Microsoft Teams)
Daniel Wojcik, Director of Sales, PWSC (via Microsoft Teams)

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 September 24, 2021 meeting of the Board of Directors, on motion duly made by J. Dore and seconded by E. Dunn, all of the Directors then voting, it was unanimously

Resolved: that the minutes of the September 24, 2021 meeting of the Board of Directors are hereby approved.

Financial Review

G. Torres presented a financial update through September 2021, reviewing the Company's unaudited consolidated income statement, balance sheet and cash flow statement. Pumpage for the month of September (389 million gallons) was below budget (432 million gallons).

Revenues of \$38.2 million were 1.5% above the prior year revenues and 2.7% below budget on a year-to-date basis. Operating expenses of \$31.5 million were 1.0% less than budget and 8.5% greater than the prior year expenses. Operating income was \$6.7 million compared to prior year operating income of \$8.6 million and budgeted operating income of \$7.4 million. Interest expense of \$10.6 million was 2.3% less than budget and 26.9% greater than the prior year expense. Pre-tax loss was \$3.7 million compared to a budgeted pre-tax loss of \$3.4 million and prior year pre-tax income of \$0.3 million. Year-to-date net loss was \$3.3 million compared to a budgeted net loss of \$2.9 million and prior year net loss of \$0.6 million. Year-to-date earnings before interest, taxes, depreciation and amortization was \$13.5 million compared to \$14.0 million in the 2021 budget and the prior year amount of \$15.1 million.

Global Goals and Objectives – 2022 Budget

G. Torres reviewed the global and specific considerations to be utilized in the 2022 budgeting process. He indicated that a preliminary capital budget will be presented to the Board at the November meeting.

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. Lustig, all of the Directors then voting, 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 November 2, 2021.

Report of the Nominating and Governance Committee

E. Dunn, Chairman of the Nominating and Governance Committee, gave a report on the Committee's recent meeting. She said that the Committee discussed expanding the Board. E. Dunn indicated that a meeting of the Committee is scheduled today following the Compensation and Benefits Committee meeting, and encouraged all the Board members to attend.

Report of the Retirement Plans Investment Committee

L. Goodhue gave a report on the Retirement Plans Investment Committee's recent meetings. He indicated that the Committee reviewed and approved the restatement of the Company's Savings Plan, effective August 1, 2021. The Committee was informed in July that Empower Retirement will no longer offer record keeping/payment services for pension plans, so the Committee met with representatives of Prudential and Principal, both qualified vendors, to learn about their services. The Committee chose to move forward with Prudential. The Committee has scheduled bi-weekly meetings with Prudential to discuss the conversion schedule. The first retirement payment to retirees from Prudential is scheduled for January 1, 2022. The Committee has also met with Empower Retirement to discuss the migration from MassMutual and the timing of the transfer. Pennichuck is scheduled to fully migrate in July 2022. The Committee will be meeting in November with Summit Financial for a semi-annual review of pension and savings plan investments. A review of VEBA investments will be included. The Committee is also in the process of revising the Investment Policy Statement for the VEBA plans.

Presentation – Long Term Sustainability

L. Goodhue gave a presentation on the long-term sustainability of the Company. He discussed opportunities for increased revenues, sustainability of current revenue streams, risks of revenue losses, opportunities for different types of financing, and cost controls.

Business Updates and Comments from the CEO

Rate Cases – L. Goodhue updated the Board on the status of the PAC and PEU rate cases – waiting on final order from PUC for the PAC rate case; have received temporary rates for PEU, a hearing on permanent rates has been scheduled for December 15, and a final order from the PUC not expected until March/April 2022.

PFOA Merrimack – L. Goodhue updated the Board on the PFOA matter in Merrimack, which was discussed at the Board's September meeting. He indicated that he and Don Ware met with the Merrimack Village District (MVD) and the MVD has agreed to temporarily receive 1 million gallons of water per day from Pennichuck to remedy their violation of the state's standard for PFOA. The MVD began using Pennichuck's water this past Wednesday. As a result, the MVD has turned off wells 2&3 and 7&8, all of which have exceeded the PFOA standard. The water in the MVD system is now coming from their treated wells 4 and 5 and from Pennichuck. The MVD has also voted to work with Pennichuck in filing a petition with the PUC to get a health-based emergency water rate established. The petition and testimony was filed with the Commission yesterday afternoon. Pennichuck is a member of the Municipal Aid Group in the State of NH where, in emergency

situations, utilities in different municipalities and systems can offer mutual aid at cost to another entity. In the petition to the PUC, Pennichuck is requesting that the PUC find that an emergency exists that warrants a temporary rate, authorize Pennichuck to charge the emergency rate of \$0.67 per 100 cubic feet retroactive to October 20, and approve the emergency rate for the earlier to occur of November 1, 2022 or the date all of MVD's wells are compliant. Both the MVD and the NHDES state their support in the petition.

The MVD has given Pennichuck a copy of the cover letter and the actual Violation Notice which they are going to mail to their customers today. Once Pennichuck receives the actual mailing, it will be posted on the Company's website, and will be mailed to all customers in Cabot Preserve and Souhegan Woods, along with a supplemental letter regarding the action the Company has taken on their behalf and continues to take on their behalf relative to the Company's core mission to ensure the water Pennichuck supplies meets existing water standards.

After discussion, it was agreed that L. Goodhue will contact the City of Nashua's Mayor, President of the Board of Aldermen Lori Wilshire, and Brandon Laws, Chairman of the Special Water Committee, to inform them of the situation.

CIAC. L. Goodhue reported that he has heard back from Senator Shaheen's office and was told that if the infrastructure bill is passed, the CIAC exemption included in the bill would be applied back to the beginning of 2021, which would be a positive for Pennichuck.

There being no further business to come before the Board, the meeting was adjourned at 10:37 a.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary