

PENNICHUCK CORPORATION  
BOARD OF DIRECTORS  
MINUTES OF MARCH 25, 2022 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, March 25, 2022 at 8:00 a.m., electronically by the Microsoft Teams platform.

Due to the spread of the COVID-19 virus and the OMICRON variant, the Board of Directors agreed at their December 17, 2021 Board meeting, that for the safety and health of the Board Members and Company employees, meetings of the Board and Board Committees would be held electronically until further notice. A telephone number and ID code was provided for public access to the meeting through Microsoft Teams.

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  
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  
Donald L. Ware, Chief Operating Officer  
Suzanne L. Ansara, Corporate Secretary  
George Torres, Corporate Controller and Treasurer  
Carol Ann Howe, Assistant Treasurer  
Tara King, Director of Revenue and Customer Operations  
Steven Greenwood, IT Director  
John Boisvert, Chief Engineer  
Chris Countie, Director, Water Supply and Community Systems  
Daniel Wojcik, Director of Sales, PWSC  
Lori Douglas, Accounting 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 of the February 25, 2022 Board meeting, on motion duly made by J. Lustig and seconded by E. Dunn, all of the Directors present then voting by roll call, it was unanimously

Resolved: that the minutes of the February 25, 2022 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 2022. Pumpage for the month of February (277 million gallons) was greater than budget (238 million gallons). Capital expenditures of \$0.3 million were below the budgeted amount of \$0.6 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 S. Genest and seconded by J. Lustig, all of the Directors present then voting by roll call, it was unanimously

Resolved: that a dividend in the amount of \$69,555.28 be paid to the sole shareholder of record, the City of Nashua, New Hampshire, on April 25, 2022.

### Report of the Nominating and Governance Committee

E. Dunn, Chairman of the Nominating and Governance Committee, gave a report on the Committee's March 21 meeting. She said that the Committee discussed dissolving the Communications Committee and folding its purpose and responsibilities into the charter of the Nominating and Governance Committee. She referred the Board to the draft of the revised Nominating and Governance Committee charter. E. Dunn said that the Committee is recommending that the Board approve the dissolution of the Communications Committee.

### Dissolution of Communication Committee

After discussion, on motion duly made by J. Lustig and seconded by D. Bernier, all of the Directors present then voting by roll call, it was unanimously

Resolved: that the Communications Committee is hereby dissolved; that the purpose and responsibilities of the Communications Committee be added to the Charter of the Nominating and Governance Committee; and that the revised Charter of the Nominating and Governance Committee, as presented at this meeting, is hereby approved.

E. Dunn reported that the Committee reviewed the draft proxy material for the 2022 Annual Meeting of Sole Shareholder, and is recommending that the Board approve the proxy material.

#### Approval of Proxy Material

After a brief discussion, on motion duly made by S. Genest and seconded by S. Flegal, all of the Directors present then voting by roll call, it was unanimously

Resolved: that the draft Proxy Card, Notice of Annual Meeting and Proxy Statement for the 2022 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.

E. Dunn indicated that the Committee did not review the results of the Board Survey since some of the members did not have a chance to review them. The Committee agreed to review the results of the Board Survey at a meeting of the Committee prior to the Board meeting in May. The results will then be reviewed with the Board at its May meeting, so that the new Board Members can be present for the discussion.

E. Dunn reported that the Committee also discussed the terms of the present Board Members. She said that the Committee is requesting that any Board Member who is considering retiring within the next year or so, to let the Committee know ahead of time.

#### Report of the Audit, Finance and Risk Committee

T. Leonard gave a report on the Audit, Finance and Risk Committee's March 23 meeting. He said that the Committee met with Deborah Tarbox from Melanson, the Company's independent auditors. The Auditor's Report was reviewed with Ms. Tarbox. There was then a detailed review of the Company's 2021 audited financial statements. The Company received a clean, unmodified opinion from Melanson. He said that Melanson reported that the audit went very well and there were no disagreements with management, and no significant deficiencies, no material misstatements, no significant findings or issues identified warranting discussions with management were found during the audit, and there were no known fraud issues to address. He said that the audit focused on a few key areas, including restricted cash, fixed assets, and taxes. There were discussions relating to the audit work on the use of bond proceeds, the status of restricted cash, the PPP loan, and the change in the discount rate relating to the pension plan. T. Leonard reported that the Committee approved the 2021 audited financial statements for release. He said that the Committee was presented with a draft of the Annual Report to Sole Shareholder, and had no comments or changes. The duties required to be completed relating to the Company's emergency plans were discussed. The Committee discussed the contract with Melanson which will expire after the 2022 audit, and instructed management to obtain a 3 and 5 year proposal from Melanson for review by the Committee. The Committee was presented with a report on the Company's commercial insurance portfolio, including cyber liability insurance.

## 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 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 G. Bower and seconded by E. Dunn, all of the Directors present 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 for release, with such changes as the Chief Executive Officer may deem necessary and appropriate.

## 2021 Audited Consolidated Financial Statements

L. Goodhue asked that the Board consider voting to affirm the approval of the 2021 financial statements by the Audit, Finance and Risk Committee, so that he can relay the Board's approval to the underwriters and banks involved in the bond issuance.

On motion duly made by S. Flegal and seconded by D. Bernier, all of the Directors present then voting by roll call, it was unanimously

Resolved: that the Board of Directors hereby affirm the approval by the Audit, Finance and Risk Committee of the 2021 Audited Consolidated Financial Statements of Pennichuck Corporation and its Subsidiaries, and authorize management to release the financial statements for all purposes.

## Business Updates and Comments from Management

Walnut Street Lease – L. Goodhue reported that he has been informed that the Landlord for the Walnut Street headquarters is selling the property. He said that the Company will be receiving a formal written notification of the sale. L. Goodhue indicated that the Company's real estate attorney will be reviewing all documents received to make sure that all of the Company's rights and responsibilities under the lease are fully transferred in the change of ownership.

Potential Land Sale – L. Goodhue reported that the Company received a call regarding interest in the purchase of land owned by Pennichuck Corporation in Merrimack. The land is adjacent to the distribution facility and is outside of the watershed. After a lengthy discussion, the Board instructed management to continue discussions with the potential buyer, and to obtain an appraisal on the property, at the Company's expense, and report back to the Board.

PWSC – D. Wojcik updated the Board on the continuing process in terminating PWSC's relationship with the Town of Salisbury. He said that PWSC is in the process of preparing a response to the Rowley RFP, which is due next week, and PWSC is looking at potentially responding to an RFP from Bow, NH to operate their water and wastewater system.

COVID-19 – L. Goodhue reported that he will be putting together a communication to employees re-establishing Phase 1 re-entry protocols as of May 1. Phase 1 will have employees returning to the office on a rotating, part-time basis. He said that the wearing of masks in the facilities will be optional. Management will continue to emphasize social distancing and good hygiene habits. Employees will be instructed to stay home if they are ill, and if their symptoms are COVID related, to use the test kits that were provided to them by the Company.

Bond Financing – L. Goodhue updated the Board on the issuance of bonds for the 2021 capital expenditures for Pennichuck Water Works. Pre-pricing and pricing calls are scheduled on April 11 and 12. The closing is scheduled for April 26. The money will be used to fully pay off the Fixed Asset Line of Credit before April 30. He said that Standard & Poor’s issued its credit rating last week, and they affirmed Pennichuck as an “A” rated credit with a stable outlook.

Promotions – L. Goodhue recognized the promotion of Tara King to Director of Revenue and Customer Operations, and the promotion of Lori Douglas to Assistant Controller.

Cyber Liability Insurance – L. Goodhue discussed the Company’s coverage for cyber liability. He said that the Company had to change carriers because the previous carrier decided that they would no longer offer coverage for cyber liability. The Company’s cyber liability insurance coverage level over the past few years has been \$2 million with a sub-limit for certain activities at \$750,000. The new carrier was willing to provide the Company with coverage, but only at a \$1 million coverage level, with the sublimit going down to \$75,000, and at double the cost of premium from the previous carrier. The new carrier had management meet with an independent outside consultant to review the Company’s existing protocols and security measures in order to find areas where the new carrier would require the Company to harden and advance so that the Company could re-obtain a higher level of coverage. The Company’s IT department has been working in getting the Company compliant in these areas, and are 80-90% of the way there.

L. Goodhue said that one of the areas of hardening that the Company has recently rolled out to employees is a Multi-Factor Authentication (MFA) for access to the network. He said that the Board of Directors will also need to be set up with MFA. S. Greenwood explained to the Board how the MFA works. He said that the IT department will work with each Board Member to assist them with implementing this extra level of security.

Kessler Farm Tank – D. Bernier asked that management provide the Board with pictures of the Kessler Farm Tank, including before and after, and during demolition. J. Boisvert said that he would provide access to the Board of those pictures. L. Goodhue offered to take the Board members on a tour of the completed tank sometime in the late spring/summer. A final coat of paint will be added to the tank in April or May.

#### Board Meetings / Committee Meetings

There was a discussion on whether to begin holding meetings of the Board and Board Committees in person. It was the consensus of the Board that future meetings will be held in person, with at least a quorum of the Board attending. If any Board Members feel uncomfortable attending in

person, they can join the meeting via Microsoft Teams, as long as a quorum is available to attend in person. The Board also agreed that the public will be provided with a phone number and access code to attend the Microsoft Teams meeting via audio only.

L. Goodhue, D. Ware, G. Torres, C. Howe, T. King, S. Greenwood, J. Boisvert, C. Countie, D. Wojcik, and L. Douglas left the meeting at 9:56 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). E. Dunn seconded the motion.

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

Yea: D. Bernier, G. Bower, 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 9:57 a.m.

#### Reconvene in Public Session

The non-public session ended at 10:10 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). D. Novotny seconded the motion. A roll call of the Directors was taken, which resulted as follows:

Yea: D. Bernier, G. Bower, 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 10:11 a.m.

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