

PENNICHUCK WATER WORKS, INC.

PRICING COMMITTEE
MINUTES OF APRIL 11-12, 2022 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 11, 2022 at 3:32 p.m. and ending on Tuesday, April 12, 2022. The non-public sessions were held electronically by Microsoft Teams.

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

By roll call, the following persons were present for the 3:32 p.m. non-public session:

Committee Members:	Elizabeth A. Dunn H. Scott Flegal Thomas J. Leonard Deborah Novotny Preston J. Stanley, Jr.
Company:	Larry D. Goodhue, Chief Executive 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
Hilltop Securities:	Ike Papadopoulos, Senior Managing Director Sara Desens, Senior Vice President William Lockett, Analyst Peter Druhot, Managing Director

Pre-Pricing Call

Ms. Desens stated that the purpose of the meeting was to review preliminary pricing for the issuance of bonds to fund Pennichuck Water Works’ 2021 capital expenditures. There was a discussion regarding the preliminary pricing provided to the Committee Members prior to the meeting (included in an email dated April 11, 2022, 3:27 p.m., from William Lockett, Hilltop Securities). Mr. Druhot discussed current market conditions.

It was agreed to reconvene the non-public session on Tuesday, April 12, 2022 at 9:00 a.m. for the pricing call. The non-public session was recessed at 3:54 p.m.

Pricing Call

The non-public session was reconvened on Tuesday, April 12, 2022 at 9:00 a.m.

Present from the Pricing Committee were E. Dunn, S. Flegal, T. Leonard, D. Novotny, and P. Stanley; 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; and from Hilltop Securities were I. Papadopoulos, S. Desens, W. Lockett and P. Druhot.

The Committee was provided with updated pricing information which was included in an email dated April 12, 2022, 8:30 a.m., from William Lockett, Hilltop Securities.

S. Desens reviewed the updated pricing information compared with the pricing information received yesterday. She said there were no changes in the coupons, some slight changes to the par amounts, slight decrease in premiums, with the overall size of the bonds increasing from \$6,600,000 to \$6,745,000 (\$6,655,000 for Series A and \$90,000 for Series B). A brief discussion ensued.

L. Goodhue indicated that the bond amounts are within the amounts authorized in resolutions adopted by the Company's Board of Directors. He said that it was most important to make sure that enough net cash is brought in so that the Company can pay off its fixed asset line of credit with TD Bank.

P. Druhot discussed the current market conditions. He said that the plan is to enter the market with the pricing today at 9:30 a.m. Eastern time until 11:00 a.m. Eastern time, and that at the end of the order period Hilltop will assess the order flow and make appropriate changes if oversubscribed or undersubscribed.

There being no further discussion, on motion duly made by D. Novotny and seconded by E. Dunn, all of the Committee Members then voting by roll call, it was unanimously

Resolved: to authorize Hilltop Securities to enter the market with the pricing as presented to the Pricing Committee today and with such adjustments as Hilltop Securities deems prudent in the market.

The Committee agreed to reconvene the non-public session on Tuesday, April 12, 2022 at 12:30 p.m. for the award call. The non-public session was recessed at 9:12 a.m.

Award Call

The non-public session was reconvened on Tuesday, April 12, 2022 at 12:30 p.m.

Present from the Pricing Committee were E. Dunn, S. Flegal, T. Leonard, D. Novotny, 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 Hilltop Securities were I. Papadopoulos, S. Desens, W. Lockett and P. Druhot.

The Committee was provided with updated pricing information which was included in an email dated April 12, 2022, 12:20 p.m., from William Lockett, Hilltop Securities, and in a document marked “4/12/2022 12:46 p.m. Prepared by Hilltop Securities (WHL)”.

P. Druhot reported that they have received two orders that will allow Hilltop to propose a bid to Pennichuck for approximately 85% of the bonds to be sold (the 2031-2052 maturities – \$5,675,000). He said that there was no interest for the 2023-2030 maturities during the order period, and indicated that Hilltop will make a bid to buy the remaining 15% of the bonds (\$1,020,000), and lock in the interest rates and assume any more interest rate risk going forward. Hilltop will market these bonds in the secondary market. P. Druhot indicated that a buyer was found for the taxable bonds (\$90,000) at a 3.625% coupon. The All-In TIC for the entire offering is 4.558746%, which is a blended total interest cost for both the Series A and Series B.

L. Goodhue indicated that the Company’s Board of Directors approved up to \$6.8 million for Series A and up to \$200,000 for Series B, so the transaction proposed by Hilltop is well within the authority received from the Board. L. Goodhue referred the Committee to page 1 of the Pricing Document dated April 12, 2022-12:46 p.m. He said that the Project Fund amount of \$6,567,306 is what is needed to reimburse finance the 2021 capital expenditures and pay off the fixed asset line of credit before April 30, 2022, and that this transaction will meet the Company’s requirements.

P. Druhot asked the Committee for a verbal award to proceed with finalizing the pricing as presented.

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

Resolved: that the Pricing Committee hereby gives their consent to Hilltop Securities to finalize the pricing of the bonds as presented at this meeting.

Mr. Papadopoulos accepted the verbal award on behalf of Hilltop Securities and will proceed to close on the pricing. He indicated that the closing for the bonds will take place on April 26. He congratulated all on the outcome.

The Committee agreed to reconvene the non-public session on Tuesday, April 12, 2022 at 1:00 p.m. The non-public session was recessed at 12:49 p.m.

The non-public session was reconvened via Microsoft Teams on Tuesday, April 12, 2022 at 1:00 p.m. Present were Committee Members E. Dunn, S. Flegal, T. Leonard, D. Novotny and P. Stanley; from the Company were L. Goodhue, S. Ansara, G. Torres, C. Howe and J. Kerrigan; and from Rath, Young & Pignatelli was 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.

Tax-Exempt Bonds

On motion duly made by T. Leonard and seconded by S. Flegal, all of the members of the Pricing Committee present 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 \$6,695,000.00 (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 \$6,696,140.76 (such purchase price being the original principal amount of the Tax-Exempt Bonds plus a premium of \$55,936.00 on the Tax-Exempt Bonds and minus an Underwriters’ discount of \$54,795.24).

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.

Taxable Bonds

On motion duly made by T. Leonard and seconded by S. Flegal, all of the members of the Pricing Committee present 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 \$90,000.00 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 \$87,958.46 (such purchase price being the original principal amount of the Taxable Bonds minus an Underwriters’ discount of \$2,041.54).

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 12, 2022), dated April 12, 2022 (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 Statement 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.

There being no further business to discuss, the Chairman adjourned the non-public session at 1:19 p.m.

/s/ Suzanne L. Ansara

Suzanne L. Ansara
Corporate Secretary