

PENNICHUCK CORPORATION

AUDIT, FINANCE AND RISK COMMITTEE  
MINUTES OF FEBRUARY 24, 2023 MEETING

A meeting of the Audit, Finance and Risk Committee (“Committee”) of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, February 24, 2023, at 8:07 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 Committee members for their review prior to the meeting.

The following Committee Members were present at the start of the meeting constituting a quorum:

C. George Bower, Chairman  
Aymarie R. Corriveau  
H. Scott Flegal  
Thomas J. Leonard  
Ralph Jenkins (via Microsoft Teams)  
Deborah Novotny

Ralph Jenkins stated the reason he could not attend the meeting in person, that he was alone, and could hear the proceedings.

Attending the meeting from the Company were:

Larry D. Goodhue, Chief Executive Officer  
Mary V. DeRoche, Human Resources Director  
George Torres, Chief Financial Officer, Treasurer and Corporate Controller  
Carol Ann Howe, Assistant Treasurer and Corporate Secretary  
Steven Greenwood, IT Director  
Tara King, Revenue and Customer Operations Director  
John Boisvert, Chief Engineer  
Alan Brown, Manager, Distribution  
Chris Countie, Director, Water Supply and Community Systems  
Lori Douglas, Assistant Controller

C. Howe recorded the minutes of the meeting.

### Approval of Minutes

There being no comments on the draft minutes of the November 28, 2022 Committee meeting, on motion duly made by D. Novotny and seconded by A. Corriveau, all of the Committee members then voting by roll call, it was unanimously

Resolved: that the draft minutes of the November 28, 2022 meeting of the Audit, Finance and Risk Committee are hereby approved.

There being no comments on the draft minutes of the November 28, 2022 non-public session, on motion duly made by T. Leonard and seconded by A. Corriveau, all of the Committee members then voting by roll call, it was unanimously

Resolved: that the draft minutes of the November 28, 2022 non-public session of the Audit, Finance and Risk Committee are hereby approved.

### PWW Bond Financing – 2022 Capital Expenditures

L. Goodhue explained that this is the second issuance being made under the \$57.5M five-year plan of financing that was approved approximately two years ago. It is for the purpose of issuing taxable and non-taxable bonds. There is always a taxable tail which is needed to cover some of the issuance costs that are not covered in the non-taxable portion. He referred the Committee to copies of the draft documents included in the written materials provided to the Committee prior to the meeting. These included the Loan and Trust Agreement, Bond Purchase Agreement, Continuing Disclosure Agreement, Preliminary Official Statement, Appendix A and Sources and Uses Schedule. He indicated that the aggregate principal amount of the taxable or tax-exempt bonds to be issued is \$6.2 million, which includes sufficient funds to pay off the Fixed Asset Line of Credit used to fund the 2022 capital projects of Pennichuck Water Works, Inc. and up to \$0.2 million to finance the costs of issuance that will not be covered under the non-taxable bonds. He indicated that these resolutions are required for the Committee to recommend to the Board of Directors of Pennichuck Corporation and Pennichuck Water Works, Inc. so they can then be approved by Pennichuck Corporation and Pennichuck Water Works, Inc. Board of Directors. The pricing date is targeted for April 11 and 12 and to close on April 26 in order to pay off the Fixed Asset Line of Credit with TD Bank before the April 30 deadline.

E. Dunn asked if another Board member should be appointed to serve on the Ad Hoc PWW Pricing Committee since T. Leonard, who was originally appointed to that Committee, is unable to fulfill that commitment. After some discussion, it was agreed that a new member should be appointed to replace T. Leonard. L. Goodhue also indicated that the Committee member would be required to attend all five meetings. S. Pillsbury indicated she would volunteer to become a member of the Committee to replace the position previously held by T. Leonard. This will be discussed and voted on at the Pennichuck Water Works, Inc. Board meeting.

After discussion, on motion duly made by T. Leonard and seconded by R. Jenkins, all of the Committee Members then voting by roll call, it was unanimously

Resolved: that the issuance of bonds needed to finance the 2022 capital expenditures of Pennichuck Water Works, Inc. (“PWW”), initially funded by the Fixed Asset Line of Credit or from working capital sources, and as described to the Audit, Finance and Risk Committee as a component of the \$57.5 million 2020-2024 Financing Plan approved by the Board of Directors of Pennichuck Corporation and PWW in 2020, and to consist of the entering into of the following credit facilities:

Taxable or Tax-exempt Bonds in one or more series in an aggregate amount not to exceed:	\$ 6,200,000
Taxable or Tax-exempt Bonds in one or more series or Bank Credit Facility to fund Bond Issuance Costs, not to exceed:	\$ 200,000
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Total 2023 Bond Issuance Plan not to exceed:	\$ 6,400,000

(the “2023 Bond Issuance Plan”), be and it is hereby favorably recommended for consideration and approval by the Board of Directors of Pennichuck Corporation and PWW.

Further

Resolved: that the officers of Pennichuck Corporation and PWW are severally authorized, empowered and directed to take such actions necessary to present the 2023 Bond Issuance Plan to the Board of Directors of Pennichuck and PWW, and to report the favorable recommendation of this Committee to each such Board.

#### PEU - CoBank Annual Term Loan Financing

L. Goodhue stated that management is seeking authorization for Pennichuck East Utility, Inc. (PEU) to enter into a 25-year term loan with CoBank in an amount up to \$800,000, to refinance and repay borrowings by PEU under its current fixed asset line of credit with CoBank. L. Goodhue also indicated that the Committee’s recommendation of this loan and subsequent approval by the Board of Directors of Pennichuck Corporation and Pennichuck Water Works, Inc., will start the process in seeking approval by the City and the filing of a petition and subsequent approval by the Public Utilities Commission as well as notification to TD Bank to obtain authorization under the current line of credit with them.

After discussion, on a motion duly made by T. Leonard and seconded by R. Jenkins, all of the Committee Members then voting by roll call, it was unanimously

Resolved: that the Audit, Finance and Risk Committee hereby recommends to the Board of Directors of Pennichuck Corporation and Pennichuck East Utility, Inc. that Pennichuck East Utility, Inc. be authorized to enter into a term loan with CoBank, ACB in an amount up to \$800,000 with an up to 25-year amortization schedule, for the purposes of financing 2022 used and useful capital expenditures paid for with the CoBank Fixed Asset Line of Credit during 2022, including interest accrued thereupon.

There being no further business to come before the Committee, the Chairman adjourned the meeting at 8:21 a.m.

*Carol Ann Howe*

Carol Ann Howe  
Assistant Treasurer &  
Corporate Secretary