

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF JANUARY 27, 2023 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, January 27, 2023 at 8:11 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 (via Microsoft Teams)
C. George Bower (via Microsoft Teams)
Amymarie R. Corriveau (via Microsoft Teams)
Elizabeth A. Dunn
H. Scott Flegal
Stephen D. Genest
Ralph Jenkins
Jay N. Lustig
John D. McGrath (via Microsoft Teams)
Deborah Novotny
Sarah Pillsbury (via Microsoft Teams)
Preston J. Stanley, Jr. (via Microsoft Teams)

D. Bernier, G. Bower, A. Corriveau, J. McGrath, S. Pillsbury and P. Stanley 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
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 Manager
John Boisvert, Chief Engineer
Chris Countie, Director, Water Supply and Community Systems
Alan Brown, Manager, Distribution
Lori Douglas, Assistant Controller

C. Howe 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 December 16, 2022 meeting of the Pennichuck Corporation Board of Directors, on motion duly made by E. Dunn and seconded by J. Lustig, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the December 16, 2022 meeting of the Pennichuck Corporation Board of Directors are hereby approved.

Election of Ralph Jenkins as Director of Subsidiaries and Appointment to Committee

The Chairman asked for a motion to elect R. Jenkins as a Director of each of the Company's subsidiaries as well as a member of the Audit, Finance and Risk Committee. On motion duly made by E. Dunn and seconded by S. Flegal, all of the Directors then voting by roll call, it was unanimously

Resolved: that Ralph Jenkins is hereby elected to serve as a Director of each and all of the following corporations in accordance with the By-Laws of each corporation: Pennichuck Water Works, Inc., Pennichuck East Utility, Inc., Pittsfield Aqueduct Company, Inc., Pennichuck Water Service Corporation, and The Southwood Corporation.

Resolved: that Ralph Jenkins is hereby appointed a member of the Audit, Finance and Risk Committee.

Budget Assumptions and Pumpage Budget 2023

G. Torres presented the key budget assumptions utilized in preparing the 2023 budget indicating that they are constructed with management input from all departments. Various questions were posed by the Board members and responded to by management - including some discussions around staffing levels and retention. G. Torres concluded with the pumpage chart indicating levels from 2018 through 2022. The pumpage budget for 2023 was shown at 4.46 billion gallons.

Going forward, P. Stanley was unable to vote on any matters due to technical difficulties, although he was able to continue to hear the proceedings.

2023 Capital Expenditure Budget and 2024-2025 Capital Expenditure Plans

L. Douglas presented a review of the 2023 capital expenditure budget and 2024-2025 expenditure plans. The revised 2023 consolidated capital budget consists of approximately \$7.5 million of carry-over projects from 2022 and approximately \$8.7 million for new projects, for a total 2023 consolidated capital budget of approximately \$16.2 million. Estimates for planned capital expenditures in 2024 and 2025 are approximately \$23.7 million and \$14.6 million, respectively. Included in the 2023 budget are maintenance-type projects, such as mains and main replacements,

services to hydrants and meters, and IT applications and system monitoring. Special projects in 2023 include Coburn Woods mains, WTP Carbon Media Filter Bed Replacement and Chemical Storage Building, Londonderry System Improvements and English Woods Interconnect.

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

Resolved: that the 2023 Capital Expenditure Budget and 2024-2025 Capital Expenditure Plans, as presented at this meeting, are hereby approved.

2023 Operating Budget

L. Douglas presented a review of the Company's proposed 2023 operating budget which was an update to the preliminary budget that was presented at the December 16, 2022 meeting. The proposed budget includes revenues of \$55.0 million, operating expenses of \$45.9 million, operating income of \$9.1 million, interest expense of \$14.8 million and a net loss of \$4.8 million. EBITDA is budgeted at \$18.2 million. The budgeted Statement of Income in each of the companies was presented highlighting the significant items in each. Some discussion broke out related to the Pennichuck Water Service Company and the future direction of this entity. It was agreed that a discussion related to this would be added to the Presentation List for 2023.

At the conclusion of the discussions, the Chairman indicated the need to formally adopt the 2023 Operating Budget.

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

Resolved: that the 2023 Operating Budget, as presented at this meeting, is hereby approved.

Bond Financing – Ad Hoc PWW Pricing Committee

L. Goodhue discussed the annual bonding event that occurs in April of each year and the need to seat an Ad Hoc pricing committee consisting of five members and an alternate. The significant dates as highlighted in the schedule presented to the Board were noted as well as the requirement for each member to be in person for each of the pricing calls. Members volunteering included G. Bower, S. Flegal, R. Jenkins, T. Leonard, D. Novotny and E. Dunn as an alternate.

Treasury and Financing Strategic Plan Update

L. Goodhue presented a Treasury, Finance and Rate Case Strategic Plan. He indicated this would be added as a yearly presentation provided to the Board for the benefit of informing them of key milestones occurring each year. Highlighted were the various types of funding activity including annual, periodic, and unique events such as "one off" projects requiring separate funding. A Timeline/"waterfall" of major treasury milestones was presented detailing target

dates/deadlines, key objectives and approvals needed for each. Listed were various funding projects through the Summer of 2029. Also presented was a timeline of major Rate Case milestones and deadlines through the Spring of 2029.

PUC Docket Forecast for Current Year

L. Goodhue reviewed the schedule provided to the Board in the written materials which summarized each of the NHPUC dockets either already in process or anticipated to be filed and/or completed in 2023. The purpose for each docket filing, the required order approval dates, the petition filing deadlines and approvals required to be obtained, were discussed.

Report of the Compensation and Benefits Committee

S. Genest provided a summary of the items discussed at the December 16, 2022 Compensation and Benefits Committee meeting which included a Workers' Compensation/Safety Review; an HR Dashboard update discussing statistical data related to hiring, turnover rates, etc.; and the annual review of the Committee Charter of which there were no suggested changes. S. Genest also indicated that a meeting needed to be scheduled to continue with discussions and review related to CEO Succession Planning.

Business Updates and Comments from the CEO

Prior to L. Goodhue's comments, T. Leonard inquired on the status of the sale of the small parcel of non-watershed land in Merrimack. L. Goodhue provided an update and indicated that he was headed to the Attorney's office that afternoon to sign an extension of the time to close due to the extended time it has taken for the buyer to obtain all the town approvals required. He also indicated all is still on schedule to close.

T. Leonard also inquired on the status of the renewal of the MVD contract. D. Ware provided an update on the status of that docket, which has been recently filed with the New Hampshire Public Utilities Commission and anticipated to conclude by June 2023.

L. Goodhue spoke of a New Hampshire Senate bill related to the New Hampshire Department of Environmental Services for \$9.7M to fund the construction of an interconnection main from Nashua to Londonderry and/or potentially to other communities east of the Merrimack River, for areas impacted by PFAS contamination. This would be considered a Phase 1 of this overall NHDES objective. He indicated there was a hearing on February 7 that he, along with D. Ware and J. Boisvert, would be attending to show support for the bill. There was some brief discussion related to the bill and its impact on other areas of Pennichuck business including property taxes, etc.

L. Goodhue provided an opportunity for each department manager in the room to comment on any items of interest and/or updates on activity in their departments. Brief remarks were made by C. Countie, A. Brown, M. DeRoche, T. King, J. Boisvert, G. Torres and S. Greenwood.

Other Business

L. Goodhue reviewed the 2023 Management Presentations List and indicated several presentations to be added as follows:

- Annual - Treasury and Financing Strategic Plan Update (completed for 2023)
- Annual - PUC Docket Forecast for Upcoming Year (completed for 2023)
- Pennichuck Water Service Company Strategic Plan – May 2023

Move to Non-Public Session

S. Genest moved that the Board enter into non-public session to discuss the consideration of matters relating to the preparation for and the carrying out of emergency functions, pursuant to RSA 91-A:3, II(i). J. Lustig seconded the motion.

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

Yea: D. Bernier, G. Bower, A. Corriveau, E. Dunn, S. Flegal, S. Genest, R. Jenkins
T. Leonard, J. Lustig, J. McGrath, D. Novotny, S. Pillsbury
Nay:

Motion was carried to enter into non-public session at 10:59 a.m.

Reconvene in Public Session

The non-public session ended at 11:10 a.m. and the Board reconvened in public session.

Matters Discussed in Non-Public Session

At the non-public session, the following occurred:

- On a motion duly made by E. Dunn and seconded by S. Genest, all of the Directors present then voting by roll call, it was unanimously resolved to approve the sealed minutes of the December 16, 2022 non-public session of the Board of Directors.
- There was a general discussion related to risk. No decisions were made.

Management Presentations List

L. Goodhue indicated a presentation on risk would be added to the 2023 Management Presentations List for February.

At 11:13 a.m., all members of the Pennichuck management team left the meeting with the exception of C. Howe.

Board Discussion

Board members discussed the next steps related to CEO succession planning. It was agreed to schedule a meeting of the Compensation and Benefits Committee on February 13 at 4:00 p.m.

There being no further business to come before the Board, the Chairman adjourned the meeting at 11:22 a.m.

Carol Ann Howe

Carol Ann Howe
Assistant Treasurer and
Corporate Secretary