

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF APRIL 28, 2023 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, April 28, 2023, at 9:50 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)
Elizabeth A. Dunn
Stephen D. Genest
Ralph Jenkins (via Microsoft Teams)
Jay N. Lustig
John D. McGrath
Deborah Novotny
Sarah Pillsbury

D. Bernier, G. Bower and R. Jenkins 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)
George Torres, Chief Financial Officer, Treasurer and Corporate Controller
Carol Ann Howe, Assistant Treasurer and Corporate Secretary
Steven Greenwood, IT Director (via Microsoft Teams)
Tara King, Revenue and Customer Operations Director (via Microsoft Teams)
John Boisvert, Chief Engineer (via Microsoft Teams)
Chris Countie, Director, Water Supply and Community Systems
Alan Brown, Manager, Distribution
Lori Douglas, Assistant Controller
Jay Kerrigan, Manager, Regulatory Affairs, Internal Control and Business Services

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 March 24, 2023 meeting of the Board of Directors, on motion duly made by J. McGrath and seconded by J. Lustig, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the March 24, 2023 meeting of the Pennichuck Corporation Board of Directors are hereby approved.

Financial Review

L. Douglas presented a financial update through March 2023. Pumpage for the month of January (286 million gallons) was slightly under budget (289 million gallons); February (278 million gallons) was ahead of budget (261 million gallons), and March (307 million gallons) was ahead of budget (287 million gallons). Overall, for the first three months of the year, we were at base and generally flat in comparison to prior year. This is normal trending for the first three months of the year. EBITDA is slightly over budget by 10.7% at \$3.4 million compared to budget of \$3.1 million and under prior year by 18.1% (\$4.2 million). This was related to revenues and recoupments in February 2022 from the Pennichuck East Utility rate case. Revenues of \$11.8 million were essentially flat with budget at \$11.7 million. Net operating expenses of \$10.7 million were slightly under budget (1.8%) compared to \$10.9 million and above prior year (2.1%) at \$10.5 million primarily due to chemical costs. Net Loss of \$2.0 million compared to a budgeted loss of \$2.4 million and \$1.3 million loss in prior year. On the balance sheet side, there is minimal change in the first quarter Net Plant and Equipment due to minimal project activity in the first quarter of the year. The small change from prior year is due to disposals. Total assets were \$340 million compared to budget of \$351 million. Year-to-date equity was \$7.3 million compared to prior year of \$5.3 million and prior year end of \$345 million. There was not a lot of change in long-term debt which came in at \$232 million versus \$233 million at prior year end. There was no balance in the line of credit as we were only in the line for one day. Cash and cash equivalents at the end of the quarter at \$13.5 million compared to a budget of \$15 million, is related to the timing of the bond repayment which was budgeted in April but was actually made in March.

PWW – Grant by NHDES to Assist in Compliance with the Lead and Copper Rule (LCR)

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

Resolved: that the Board of Directors of Pennichuck Corporation hereby approves the acceptance by Pennichuck Water Works, Inc. of a grant of up to \$100,000 from the State of New Hampshire Lead Service Line Inventory, Sampling Plan and Replacement Plan Grant Program with the Department of Environmental Services (NHDES) for the purpose of funding work to develop and implement a lead service line sampling plan and replacement plan.

PAC – Pennichuck Corporation Intercompany Loan

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

Resolved: that the Board of Directors of Pennichuck Corporation (the “Company”) hereby authorizes the Company to refinance \$94,401 of the short term intercompany payables between the Company and Pittsfield Aqueduct Company, Inc. (PAC), into a new long term intercompany loan for a term of up to 20 years at an interest rate of approximately 6% on a fully amortizing basis.

Business Updates and Comments from CEO

L. Goodhue indicated there were no specific comments to be made but there will be some discussions in the Non-Public Session.

Other Business

There was a brief discussion to confirm the management presentations that will be made next month including the presentation on the Pennichuck Water Service Company.

T. Leonard referred to the Annual Meeting of Sole Shareholder and the Annual Meeting of the Board of Directors which will be held on Saturday, May 6, beginning at 9:00 a.m. at the Company’s Distribution Facility in Merrimack. C. Howe indicated that she had begun to upload documents for the meetings on SharePoint and will continue to add more schedules. L. Goodhue also confirmed with T. Leonard that he will conduct the Annual Meeting of the Board of Directors this year even though a new Chairman will be elected.

L. Goodhue briefly discussed a few Senate bills that have been passed in that chamber and will then move onto the House for approval, as well as discussions that the Company has become alerted to related to town level discussions and analysis in Londonderry as well as Litchfield potentially acquiring their own water systems. At this juncture, there are no bills currently existing in the House that require tracking and/or have passed and would then be forwarded onto the Senate. It was indicated that information related to all of this is not definitive and still forthcoming.

Move to Non-Public Session

S. Genest moved that the Board enter into non-public session to discuss the promotion or compensation of employees pursuant to RSA 91-A:3, II(a) and matters which would likely affect adversely the reputation of a person pursuant to RSA 91-A:3, II(c). J. Lustig seconded the motion.

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

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

Nay:

Motion was carried to enter into non-public session at 10:11 a.m.

Reconvene in Public Session

The non-public session ended at 12:03 p.m. and the Board reconvened in public session.

J. McGrath 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). S. Genest seconded the motion. A roll call of the Directors was taken, which resulted as follows:

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

Nay:

Motion was carried to seal the minutes of the non-public session.

There being no further business to come before the Board, the Chairman adjourned the meeting at 12:04 p.m.

/s/ Carol Ann Howe
Carol Ann Howe, CPA
Assistant Treasurer and
Corporate Secretary