

PENNICHUCK CORPORATION  
BOARD OF DIRECTORS  
MINUTES OF MAY 25, 2023 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, May 25, 2023, at 8:18 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:

C. George Bower, Chairman  
David P. Bernier (via Microsoft Teams)  
Aymarie R. Corriveau  
Elizabeth A. Dunn  
H. Scott Flegal  
Stephen D. Genest (via Microsoft Teams)  
Ralph Jenkins  
Thomas J. Leonard III  
Jay N. Lustig  
John D. McGrath (via Microsoft Teams)  
Deborah B. Novotny  
Sarah Pillsbury (via Microsoft Teams)

D. Bernier, S Genest, J. McGrath and S. Pillsbury 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 J. Countie, Director, Water Supply and Community Systems  
Alan D. Brown, Manager, Distribution  
Lori Douglas, Assistant Controller  
Hannah Marshall, Engineer  
Ashley Piper, Environmental Scientist  
Casey Harding, Engineer

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 April 28, 2023 meeting of the Pennichuck Corporation Board of Directors, the minutes of the May 6, 2023 Annual Meeting of Sole Shareholder and the minutes of the May 6, 2023 Annual Meeting of Board of Directors, on motion duly made by S. Flegal and seconded by A. Corriveau, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the April 28, 2023 meeting of the Board of Directors are hereby approved.

Resolved: that the minutes of the May 6, 2023 Annual Meeting of Sole Shareholder are hereby approved.

Resolved: that the minutes of the May 6, 2023 Annual Meeting of the Board of Directors are hereby approved.

### Financial Review

G. Torres presented a financial update through April 2023. Pumpage for the month of April (329 million gallons) was ahead of budget (297 million gallons). He indicated the Company has been primarily at base level through April. There is typically not a lot of change in the first three months and pumpage usually serves as a proxy to the revenue. Pumpage starts to increase in April and then peak in June and July. C. Countie provided a brief explanation related to the chemical pricing and negotiated contract pricing for the upcoming months. Indications show that prices are becoming more stable and may end up closer to the beginning of the year costs. Total assets are below expectations primarily due to the pension valuation and changes due to the discount rate which also drove down the liabilities by over \$6 million. The discount rate has doubled from prior years of 2.5% to over 5%. Our debt is where we expected to be as we are out of the line of credit and have been since May 2 and for a significant portion of the year. Short Term debt is \$8.1 million versus a budgeted \$6.1 million primarily due to the timing of the CoBank term loan balloon payment which was coming due but is in the process of being refinanced which will shift it from short term to long term in July when the refinance is completed.

On the cash flow, we are ahead of projections at \$13.3 versus a budgeted \$12.9 year to date or \$.4 higher than last year primarily due to the repayment of the PPE loan in prior year. In capital expenditures, we are where we expect to be as we are just starting construction season and are at \$1.5 million in PWW compared to a budget of \$1.3 million which is attributed to the filter meter changeout.

### Report of the Retirement Plans Investment Committee Meeting – L. Goodhue

L. Goodhue presented to the Board what was discussed in the Retirement Plans Investment Committee (RPIC) meeting held on May 8. He started by indicating the positions that make up

the composition of the Committee (CEO, CFO, Director of HR, Corporate Secretary and a Board of Director member). He indicated we meet at least semi-annually with our Co-Fiduciaries at HUB and also on an as needed basis. We had our first review of the year on May 8 with representatives from HUB financial, D. Johnson, J. Denton and D. Mulkern, to have a review of the Pension and 401K plan. The review is completed to look at the entire portfolio of investments and they use a comprehensive scorecard when reviewing the quality of the investment portfolio. If a particular investment reaches a certain low score for 7 consecutive reviews, it will be recommended for replacement. A failure of one quarter does not necessarily recommend a trend but a failure of 7 quarters would. As a result of this scoring method, there was a recommendation from HUB of the replacement of one investment. L. Goodhue indicated we are 100% fully funded and we have always been in compliance with our funding requirements. The change in the discount rate has a direct impact on the funding level of the fund. We had made a decision to change the funding levels from where we had originally targeted for this year at \$250K a quarter to a higher level at \$1.5 million or \$375K a quarter due to the fact that our current allowable revenues allows us to fund at this level. We determined it was best to fund at this level in order to stabilize our future funding levels as interest rates may go down. S. Genest also indicated in doing this, it helps to alleviate the peaks and valleys as changes in market interest rates occur. L. Goodhue also reviewed the items that were discussed in the meetings related to the Secure Act 2.0 changes noting that when rule changes occur, we have to update our plan documents to adopt the new regulations passed at the Federal level within a certain amount of years but need to ensure compliance of the required changes. There was also a brief discussion related to the future potential of adopting the LDG strategy.

J. McGrath left the meeting at 9:00 am.

#### Business Updates and Comments from CEO

L. Goodhue indicated there were two brief items they wanted to address with the Board. The first, was that they will finally be closing on the sale of the land on the DW Highway. He indicated that he and G. Torres will be meeting with the attorneys tomorrow to sign documents required for the closing that will occur the following week when he is out of town. He also indicated the land is being sold at \$800,000. S. Genest asked what entity this money goes to and D. Ware responded it belongs to Pennichuck Corporation.

L. Goodhue went on to discuss the second topic which was related to Senate Bill 169 that has to do with the potential interconnection main that the DES is pursuing. This has to do with a potential \$120 million project that will construct a water main that will move water from the Merrimack River to go through Litchfield to Hudson to Londonderry in order to bring water to them. Senate Bill 169 (i.e., funding a water main interconnection project between Nashua and Litchfield) is what the DES is pushing to approve to get a carve out from the State's budget to get initial funding of that project which is Phase 1. This approval is still in process. Senator Rosenthal included language that would be added to the bill if the project were to be awarded to us. A lengthy discussion ensued between L. Goodhue, D. Ware and Board members related to this issue and the many areas that could have a potential impact on the organization in both a negative or positive manner. L. Goodhue discussed a potential resolution that he wanted to put in front of the Board for approval today related to this item. At the conclusion of the discussion, it was determined that the resolution would be taken up by the Board at a future meeting when more facts related to the transaction are known and come to light. S. Pillsbury indicated she

would like something in writing which indicates pros and cons of this subject. L. Goodhue indicated a presentation will be provided at the June Board meeting.

Move to Non-Public Session

E. Dunn 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), matters which would likely affect adversely the reputation of a person pursuant to RSA 91-A:3, II(c), and to discuss financial or confidential information, pursuant to RSA 91-A:3, II (j). T. Leonard 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, S. Pillsbury,  
D. Novotny, E. Dunn, J. Lustig, A. Corriveau, S. Flegal  
Nay:

Motion was carried to enter into non-public session at 10:08 a.m.

Reconvene in Public Session

The non-public session ended at 12:29 p.m. and the Board reconvened in public session.

T. Leonard moved that the Board seal the minutes of the non-public session under RSA 91-A:3, II(a), RSA 91-A:3, II(c) and RSA 91-A:3, II (j). A. Corriveau 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, A. Corriveau, S. Flegal  
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 12:30 p.m.

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