

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF NOVEMBER 17, 2023 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, November 17, 2023 at 8:37 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
Ralph Jenkins
Thomas J. Leonard III
Jay N. Lustig (via Microsoft Teams)
John D. McGrath
Deborah B. Novotny
Sarah Pillsbury

D. Bernier and J. Lustig 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 and Treasurer
Carol Ann Howe, Assistant Treasurer and Corporate Secretary
Steven Greenwood, IT Director
Tara King, Revenue and Customer Operations Director
John Boisvert, Chief Engineer
Christopher J. Countie, Director, Water Supply and Community Systems
Alan D. Brown, Manager, Distribution
Lori Douglas, Corporate 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 October 27, 2023 meetings of the Pennichuck Corporation Board of Directors, Pennichuck Water Works, Inc. Board of Directors, Pennichuck East Utility, Inc. Board of Directors, meeting of the Pittsfield Aqueduct Company Inc. Board of Directors, Pennichuck Water Service Corporation Board of Directors, The Southwood Corporation Board of Directors on motion duly made by E. Dunn and seconded by J. McGrath, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the October 27, 2023 meeting of the Pennichuck Corporation Board of Directors are hereby approved.

Resolved: that the minutes of the October 27, 2023 meeting of the Pennichuck Water Works, Inc. Board of Directors are hereby approved.

Resolved: that the minutes of the October 27, 2023 meeting of the Pennichuck East Utility, Inc. Board of Directors are hereby approved.

Resolved: that the minutes of the October 27, 2023 meeting of the Pittsfield Aqueduct Company Inc. Board of Directors are hereby approved.

Resolved: that the minutes of the October 27, 2023 meeting of the Pennichuck Water Service Corporation Board of Directors are hereby approved.

Resolved: that the minutes of the October 27, 2023 meeting of The Southwood Corporation Board of Directors are hereby approved.

Preliminary Capital Budgets for the Years 2024, 2025 and 2026

L. Douglas along with the management group presented a thorough review of the Company's preliminary capital budget for 2024 and the capital expenditure plans for years 2025 and 2026. Detailed capital budget worksheets by subsidiary and project type were discussed and J. Boisvert provided input on certain projects included in the capital budget. This led to several questions posed by Board members and management answered a number of questions relating to certain projects. A summary of capital financed by funding sources and amount was provided for each capital budgeted year presented. A revised preliminary capital budget and a preliminary operating budget will be presented to the Board at the December Board meeting. Further, both budgets (capital and operating) will be presented for final approval at the January 2024 Board meeting. L. Goodhue reminded the Board of the reasoning for presentation of a three year capital budget, which in part related to documentation provided to the New Hampshire Public Utility Commission supporting financing petitions as well as a planning tool for the Company.

Revenue Projections

D. Ware presented the schedule of revenue projections that was prepared for the Board. He indicated the information was prepared by using October year-to-date actuals and an analysis of budgeted amounts for the remainder of the year. He also pointed out the 10/31/23 cash balances noted at the bottom of the schedule as well discussion of the detailed review of cash on hand that is done on a daily basis by Accounting in addition to his close monitoring of cash balances each day. The schedule also showed for comparison purposes the RSF balances at 12/31/2022, the total projected expense projections for the year 2023 and the resulting projected year end 12/31/23 RSF balances. He also indicated the unusually wet season had a direct impact on the lower cash balances than anticipated but also indicated we are doing okay. L. Goodhue concluded by providing an overall summary of our cash funding mechanisms for the company.

Report of the Retirement Plans Investment Committee Meeting

L. Goodhue, Chairman of the Committee, provided an overview of the meeting that was held on November 7, 2023 with the Retirement Plan Investment Committee and with our Co-Fiduciary HUB/Summit on t. He indicated the individuals who serve on the Committee - CEO, CFO, Treasurer, Assistant Treasurer, Director of HR and the Chairman of the Compensation and Benefits Committee. This Committee was established as a Sub-Committee of the Board. He noted that we meet for various reasons as needed but at least semiannually to conduct a full fiduciary review of both the 401K/Savings and Pension Plans. This includes a review of the investments in accordance with the Investment Policy Statement. He explained that our Investment Advisor (HUB) uses a 10 point investment grade where they go through and grade every investment. HUB had indicated there was one fund which was held in both the 401K/Savings and Pension Plans that needed a change due to some activity including the management within the fund. A vote was taken to replace that one fund in both plans and the change was officially made this week.

Our plans allow for loans on employee accounts and the interest rate was at Prime plus 2%. We asked Summit to review the options we have available to reduce the interest rates charged to our employees on loans. We have taken actions to change the interest rate on our loans to Prime as is consistent with industry standards. Our plans are currently fully funded, partially due to the higher interest rates. L. Goodhue indicated we typically have flat funding but our funding is now above the minimum levels due to the higher interest rates. We also have again asked HUB to review the Liability Driven Investment (LDI) Model. They are going to address this option again in the Spring semi-annual review. L. Goodhue also indicated the Financial Statements relative to these two plans were covered in the Audit, Risk and Finance Committee meeting held on November 16, 2023 in which our external auditors participated.

Report of the Audit, Finance and Risk Committee Meeting

G. Bower, Chairman of the Committee, provided a summary of the items discussed at the meeting which took place on November 16, 2023. He indicated there were several agenda items the first one being a meeting with Deborah Tarbox, Marcum, to review and approve the Audit Plan for the current year. He noted that once the audit is completed in 2024, a report of the Audit will be presented at the March 2024 Audit, Finance and Risk Committee. The Committee also reviewed the Audits of the 401K and Pension Plans financial statements. G. Bower asked if the Board also wanted to review the plans or if they preferred to have it left at the Committee review level. The board indicated it should be left at the Committee level. There was a question from the board asking if the HUB had provided any input on where they expect interest rates to go and

G. Torres provided a response. He also indicated the last portion of the meeting was a discussion of the Internal Control review plan for the year.

Other Business

L. Goodhue presented the Management Presentation Schedule for 2023 and 2024 noting the remaining items to be discussed in the last meeting of the year and asked if there were any questions on the schedule for 2024 or if there were any items they wanted added. G. Bower indicated he wanted a presentation of all our operating systems and controls which would entail an overview of the maintenance, testing and inspection of the systems so the Board has a better understanding and comfort level of the programs. This would include who has responsibility and how we validate the controls. This would include operating protocols and systems specific to water supply. It was agreed that presentation would be added to the schedule in April. Larry asked if the Board wanted to make the decision about removing the July meeting from the schedule, as usually occurs each year, and the Board indicated they would defer that decision to the Spring.

Business Updates and Comments from CEO

L. Goodhue indicated the primary item to mention is that the management team is working on transitions which has included and will continue to include meetings with our business partners including banking relationships, bonding attorneys and others including the Mayor.

Move to Non-Public Session

S. Pillsbury moved that the Board enter into non-public session to discuss matters, which if discussed in public, would likely affect adversely the reputation of a person pursuant to RSA 91-A:3, II(c), and to discuss 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, J. McGrath
Nay:

Motion was carried to enter into non-public session at 9:41 a.m.

Reconvene in Public Session

The non-public session ended at 10:46 a.m. and the Board reconvened in public session.

S. Pillsbury moved that the Board seal the minutes of the non-public session under RSA 91-A:3, II(c) to discuss matters, which if discussed in public, would likely affect adversely the reputation of a person and under RSA 91-A:3 II(j) to discuss financial or confidential information.
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, S. Pillsbury,

D. Novotny, E. Dunn, A. Corriveau, S. Flegal, J. McGrath
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 10:48 a.m.

Carol Ann Howe

Carol Ann Howe
Assistant Treasurer & Corporate Secretary