

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF JANUARY 26, 2024 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, January 26, 2024 at 8:20 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 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)
Elizabeth A. Dunn
H. Scott Flegal
Ralph Jenkins (via Microsoft Teams)
Thomas J. Leonard III
Jay N. Lustig
John D. McGrath
Deborah B. Novotny
Sarah Pillsbury (via Microsoft Teams)
Brian H. Law

Attending all or a portion of the meeting from the Company were:

John J. Boisvert, Chief Executive Officer and Chief Engineer
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
Christopher J. Countie, Director of Operations
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 December 15, 2023 meeting of the Pennichuck Corporation Board of Directors, on motion duly made by J. McGrath and seconded by T. Leonard, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the December 15, 2023 meeting of the Pennichuck Corporation Board of Directors are hereby approved.

2024 Capital Expenditure Budget, 2025-2026 Cap Ex Plans – L. Douglas

L. Douglas presented the preliminary capital budget for 2024 and the capital expenditure plans for years 2025 and 2026. She presented the capital budgets at both the consolidated and individual company level and provided input on items of significant change from 2023 to 2024. There was a brief discussion on the impact on the capital and operating budgets resulting from the changes of accounting for the carbon changeout.

After no further comments, on motion duly made by T. Leonard and seconded by J. Lustig, all of the Directors then voting by roll call, it was unanimously

Resolved: that the 2024 Capital Expenditure Budget and 2025-2026 Capital Expenditure Plans, as presented at this meeting, are hereby approved.

Final 2024 Operating Budget – L. Douglas

L. Douglas presented the Final 2024 operating budget which she indicated was provided to the Board members in the material they received prior to the meeting. She highlighted various aspects of the budget, noting where changes had been made and items of significance, including the pumpage. She first reviewed the budget at the consolidated level and then separately at each company. She asked if there were any questions and those brought forward were responded to by various members of management. There was some discussion on assumptions and the period of years used. During review of the Cash Flow, there was further conversation on the working capital lines of credit and G. Torres provided input on the lines of credit used for both capital expenditures and working capital, noting the amounts of each line at both Pennichuck Corporation and Pennichuck Water Works.

After no further comment, on motion duly made by T. Leonard and seconded by J. Lustig, all of the Directors then voting by roll call, it was unanimously

Resolved: that the 2024 Operating Budget, as presented at this meeting, is hereby approved.

B. Law asked about the pension liability funding. G. Torres explained that we are fully funded so we do not have to make a pension contribution but we have elected to continue to do so. He also indicated the change in interest rates have had an impact on our funding levels. He clarified the Pension funding amount for the year 2024 will be at \$1.5M.

J. Lustig asked a question related to Pennichuck Water Service Company and D. Ware provided response.

TD Bank – Renewal of \$4 Million Line of Credit (2nd recording)

G. Torres indicated he is looking for Board approval for the renewal of the \$4 million dollar line of credit that is up for renewal this year. This is the same line that has been in place and he stated we recently received the Term Sheet.

After no further comment, on motion duly made by E. Dunn and seconded by B. Law, all of the Directors then voting by roll call, it was unanimously

Resolved: that the Board of Directors of Pennichuck Corporation (the “Corporation”) hereby authorizes, approves and directs the Corporation to enter into a renewal of its \$4,000,000 line of credit (“LOC”) with TD Bank, N.A. on the terms and conditions set forth in the term sheet presented and reviewed at this meeting and attached hereto as Exhibit A (the “LOC Renewal”);

Further

Resolved: that the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer are severally authorized, empowered and directed to negotiate, execute and deliver, in the name and on behalf of the Corporation, any and all documents relating to the LOC Renewal and to take any and all actions as they may deem necessary or appropriate to implement the LOC Renewal;

Further

Resolved: that the Chief Executive Officer, the Chief Financial Officer and the Chief Operating Officer are hereby severally authorized, empowered and directed to take any and all actions to obtain all necessary approvals for the LOC Renewal from the City of Nashua in its capacity as the sole shareholder of the Corporation, and any other authority determined by such officers relating to the LOC Renewal;

Bond Financing - Ad Hoc PWW Pricing Committee – G. Torres

G. Torres explained that we need volunteers for the 2024 Bond Financing Pricing Committee as we do each year. He indicated the times they will need to be available for the pricing as shown below. He further explained what the process would be and that we would need five members and plus one alternate.

April 10 Pre Pricing 3:30 pm

April 11 Pre Pricing 9:00 am

April 11 Pricing 3:30 pm

After some discussion, the following board members volunteered: John D. McGrath, H. Scott Flegal, Deborah Novotny, Brian H. Law, Sarah Pillsbury, Elizabeth A. Dunn (Alternate)

Treasury and Financing Strategic Plan Update – G. Torres

G. Torres referred to the Treasury/Financing Strategy presentation supplied to the Board in advance of the meeting. He discussed the annual events that occur each year – consisting of the various Line of Credits – both for working capital and capital funding. He indicated what would be highlighted are the normal recurring annual financing events as well as others which take place as needed. He discussed the annual bonding that occurs each year to pay off the capital fixed asset line of credit at Pennichuck Water Works, Inc. and an annual term loan with CoBank used to pay off the capital fixed asset line of credit at Pennichuck East Utility, Inc.

He then explained the periodic events which occur on various time frames including renewal of various fixed asset and working capital Lines of Credit at the various companies as well as approvals needed at the New Hampshire Bond Financing Authority (NHBFA) and Governor and Council - both for our TEFRA approval requirements. Explaining that under each TEFRA there is a 3 year time period to use the authority. In the Summer of 2024, we will be obtaining a new TEFRA.

He also reviewed the timeline of the major treasury milestones and associated deadlines. He asked if there were any questions, which there were none.

PUC Docket Forecast for 2024 – D. Ware

D. Ware presented the activities that were anticipated to occur at the New Hampshire Public Utility Commission over the next year. He pointed out that he would only be discussing the activities for the current year due to the uncertainty of what will transpire based on the consolidated rate case of the three subsidiary companies that is in process. He discussed each of the items that were shown on the presentation provided to the Board in advance of the meeting.

Report of the Nominating and Governance Committee Mtg.- E. Dunn

E. Dunn provided an overview of the items discussed at the January 31, 2024, Nominating and Governance Committee meeting including some changes that were being made to the Corporate Governance Principles.

After no further comment, on motion duly made by D. Novotny and seconded by J. Lustig, all of the Directors then voting by roll call, it was unanimously.

Resolved: that the Corporate Governance Principles be amended as follows:

- (1) Section F. Board Committees. Delete the sentence “The Chairman of the Board of Directors shall be an ex-officio member of all Board committees with no attendance obligation and shall have voting rights.”
- (2) Throughout the document – replace “Chairman” with “Chair”.

E. Dunn reminded board members to return the board survey which is due by January 31, 2024.

Business Updates and Comments from the CEO

J. Boisvert provided some brief comments on the status of the consolidation of the three regulated companies and indicated more discussions related to this will follow in the Non-Public session. He then briefed the board on a meeting that he had with G. Bower in which they discussed the current management presentation schedule for 2024 and ideas for future presentations that are outside of that schedule. He also asked if there were other items the Board would like to see presented and if so, they should let him know and we can add them to the schedule. He indicated that sometime after the Annual Meeting he would be reviewing the SWAT Analysis that was done in previous years and taking a fresh look at that and bringing it to the board. He also noted in the late spring/early summer timeframe there are several initiatives that he is looking at related to various long term goals and/or strategic objectives which relate to resiliency and stability in various areas such as succession planning, climate and regulation changes, etc. and the various impact these may have on our organization and ensuring we are planning appropriately. He also indicated he would like to have other lower tier members of the organization present items that are going on throughout the organization

J. Boisvert indicated they have started working on M. DeRoche's replacement and the position has been internally posted. The goal is to bring someone in at least four to eight weeks prior to her retirement in order that she has an opportunity to work with her replacement. M. DeRoche stated her last day is June 28. J. Boisvert, also indicated that once the annual meeting is completed, we want to convene an AdHoc group to discuss the long term plan of the Pennichuck Water Service Company with certain key personnel within the organization as well as including board members to serve on the Committee to show representation.

B. Law indicated he had interest, if possible, in seeing the Bower Pond construction site.

J. Boisvert indicated tours of certain projects have been done in the past and they will look at that opportunity to provide future ones.

Other Business

G. Bower noted the 2024 Management Presentation and Board of Director Meeting Schedule that was presented in the materials. He also indicated a decision on the July 2024 meeting will be made in the upcoming months.

Move to Non-Public Session

J. McGrath 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 financial or confidential information pursuant to RSA 91-A:3, II(j). E. Dunn seconded the motion.

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

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

Nay:

Motion was carried to enter into non-public session at 10:35 a.m.

Reconvene in Public Session

The non-public session ended at 11:09 a.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(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.

E. Dunn seconded the motion. A roll call of the Directors was taken, which resulted as follows:

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

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 11:10 a.m.

Carol Ann Howe

Carol Ann Howe, CPA
Assistant Treasurer & Corporate Secretary