

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF DECEMBER 15, 2023 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, December 15, 2023 at 8:33 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
Amymarie R. Corriveau
Elizabeth A. Dunn
H. Scott Flegal
Stephen D. Genest
Ralph Jenkins
Thomas J. Leonard III
Jay N. Lustig
John D. McGrath
Deborah B. Novotny
Sarah Pillsbury
Brian H. Law

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 (via Microsoft Teams)
Alan D. Brown, Manager, Distribution (via Microsoft Teams)
Lori Douglas, Corporate Controller
Jay Kerrigan, Manager, Regulatory Affairs, Internal Control and Business Services
Alicia Surette, Supervisor, Revenue and Customer Operations

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 November 17, 2023 meeting of the Pennichuck Corporation Board of Directors, on motion duly made by T. Leonard and seconded by D. Bernier, all of the Directors then voting by roll call, it was unanimously

Resolved: that the minutes of the November 17, 2023 meeting of the Pennichuck Corporation Board of Directors are hereby approved.

Financial Review

L. Douglas presented a financial update through October 2023. Pumpage for the month was 306.5 million gallons which was 17.5% lower than prior year and 9.4% lower than budget. Total revenues of \$44.8 million are 7.9% lower than prior year and 4.8% lower than budget. Year-to-date EBITDA is \$16.1 million which is 15% lower than prior year and .6% higher than budget. What is driving these numbers is the continued decline in revenues due to a wet summer. Total assets are \$342 million compared to a budget of \$363.6 million. She indicated that they are still out of the line of credit which is primarily on Pennichuck Water Works, Inc. Cash and cash equivalents at the end of the year is \$12.9 million versus a budget of \$18.9 million and prior year of \$16.5 million. Total capital expenditures year-to-date is \$8.8 million versus a budget of \$14 million and prior year of \$6.8 million. S. Genest asked if there were specific reasons for the variance. J. Boisvert indicated there were two major factors attributing to this variance. One being construction of the dam, which was pushed out to a later time frame, which is representative of about \$2.5 million of the shortfall. The second is related to a slowdown in the water main construction projects partially because of the anticipated cost of water main construction and potential material supply chain issues which were coming into question. Therefore, a decision was made to hold back on some projects. S. Genest asked if our construction schedule is falling slightly behind the pace they had anticipated. J. Boisvert indicated to some extent but nothing to a level of detriment and the pace in the coming year is anticipated to increase.

Dividend to Sole Shareholder

L. Goodhue indicated that management is recommending that the Board approve the payment of a quarterly dividend to the City of Nashua. The dividend will supplement the monthly interest and note payment made by the Company to the City of Nashua for the funding of the City's acquisition debt.

On motion duly made by T. Leonard and seconded by D. Bernier, all of the Directors then voting by roll call, it was unanimously

Resolved: that a dividend in the amount of \$69,555.62 be paid to the sole shareholder of record, the City of Nashua, New Hampshire, on January 4, 2024.

Review of Preliminary Capital Budget 2024 and 2025-2026 Capital Expenditure Plans

L. Douglas, along with the management group, 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. Management answered a number of questions from the Board relating to capital projects. The total budget at the consolidated level is slightly over \$18 million. She highlighted the sources and amounts of capital funding by type (i.e., bonding, loans, grants, etc.). Certain larger projects such as Bowers Pond Spillway Reconstruction at \$2.5 million and Londonderry System Improvements at \$2.9 million were discussed in some detail. S. Genest asked if we had the capacity and likelihood of completing all the projects shown. J. Boisvert provide input on several of the projects and indicated we were already ahead on some of the projects but barring the unknown, we do anticipate that most of those shown are anticipated to be underway in 2024. L. Douglas stated the final budgets will be presented to the board at the January board meeting.

On motion duly made by D. Bernier and seconded by E. Dunn, all of the Directors then voting by roll call, it was unanimously

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

Preliminary 2024 Operating Budget Review

L. Douglas presented the preliminary 2024 Operating Budget. Detailed operating budget worksheets by subsidiary and department were provided in advance to the Board members. She indicated she was only going to review the summary on each of the Companies and asked if there were any questions on the materials presented to the Board. She also noted the 2023 projected expenses represented ten months of actual and two months of budget and the final budget to be presented in January will show twelve months of actual for 2023. L. Douglas provided a brief review of certain highlighted items at each of the companies and management answered questions posed by the Board. C. Countie provided some detail on the cost of chemicals and increases that he is seeing year-to-date and noted that the final pricing has not yet been determined. G. Torres indicated there was a 9.57% increase in health insurance which includes the cost of new employees. L. Douglas also added that the 2023 expense includes a \$66,000 refund resulting from a worker's compensation and general liability audit which occurs each year but is not budgeted. She concluded by stating the final operating budget, along with the inclusion of revenue, will be presented for approval at the January 2024 Board meeting.

Report of the Nominating and Governance Committee Meetings November 17 and December 12

E. Dunn gave a report of the prior two Committee meetings. She indicated the results of one of the meetings related to bringing B. Law on board. She stated the Committee's next steps are searching for new directors to replace the ones that will be retiring and that there was an extensive discussion on some candidates suggested by other board members and the management team. They will be reaching out to these candidates and discussing the next steps in the process with them. She also noted they are still taking names for consideration and anyone can bring names of anyone to the Committee for consideration. E. Dunn said the Committee also reviewed the Board surveys for the year which will be sent out soon.

A. Surette entered the meeting at 9:50 a.m.

Report of the Compensation and Benefits Committee Meeting December 6

S. Genest provided an overview of the items that occurred at the meeting on December 6. He noted the purpose of the meeting was to discuss three specific items. The first was M. DeRoche's discussion of health insurance, which was previously mentioned in managements financial discussion of the operating budget. He also noted that there is an increase in the dental insurance costs and disability and life insurance remained at the same cost as prior year. The second was an annual review of a lot of data related to trends in business related to people. This is presented through a mechanism referred to as the "dashboard". S. Genest indicated it is a valuable source of information related to our future hiring in our workforce. There are five years of data that has been compiled. The third item was a comprehensive review of the workers compensation and safety issues and the information showed a favorable trend in this area. He encouraged others to review the information that had been presented.

2023 Major Accomplishments and 2024 Major Goals

L. Goodhue reviewed the Company's 2023 major accomplishments and the 2024 major goals. He referred to the materials that were provided to the Board in advance of the meeting and noted he would only be highlighting certain items and not going through each of them individually. He indicated the list was compiled based on input from managers of their accomplishments. He also noted that there are certain goals that are on-going agenda items such as maintaining an open line of communication with our shareholder and other key stakeholders, continuously addressing ongoing safety and the security of customer information and we have an over-arching platform for training employees and continually addressing succession planning. He went on to highlight areas of significance in each of the departments. He indicated all management is present and if Board members had any particular questions, they are available to address them.

L. Goodhue then presented the 2024 major goals which he noted primarily consisted of all ongoing items that management must continually focus on to keep the organization running. He presented each department's goals, highlighting some in each area, as well as the company-wide/strategic initiatives. L. Goodhue also noted one item of particular importance he thought should occur in 2024 is to have a meeting with the Board of Alderman. This would include inviting them to distribution and giving them a presentation of what we do as well as an opportunity to meet our management team. This is something that had been done several years ago.

Corporate Matters – Resignations and Appointments of Officers

L. Goodhue indicated that a number of matters needed to be voted upon due to his retirement on December 29, 2023. He referred the Board to the resolutions in the Agenda regarding the resignation and appointment of an acting Chief Executive Officer, effective December 30-31, 2023 and the appointment of a new Chief Executive Officer effective January 1, 2024, and the resignations and appointments of members of the Retirement Plans Investment Committee.

Resignation of Chief Executive Officer

On motion duly made by J. Lustig and seconded by E. Dunn, all of the Directors then voting by roll call, it was unanimously

Resolved: that the Board of Directors hereby accepts the resignation of Larry D. Goodhue as Chief Executive Officer of Pennichuck Corporation, effective December 29, 2023.

Appointment of Acting Chief Executive Officer

On motion duly made by E. Dunn and seconded by T. Leonard, all of the Directors then voting by roll call, it was unanimously

Resolved: that the Board of Directors hereby appoints John J. Boisvert as Acting Chief Executive Officer of Pennichuck Corporation, effective December 30, 2023 through December 31, 2023.

Election of Chief Executive Officer

On motion duly made by J. McGrath and seconded by A. Corriveau, all of the Directors then voting by roll call, it was unanimously

Resolved: that John J. Boisvert is hereby elected to the office of Chief Executive Officer of Pennichuck Corporation, effective January 1, 2024, to serve in accordance with the Bylaws of the corporation and at the discretion of the Board of Directors.

Retirement Plans Investment Committee

On motion duly made by J. Lustig and seconded by S. Flegal, all of the Directors then voting by roll call, it was unanimously

Resolved: that the Board of Directors hereby accepts the resignation of Larry D. Goodhue as Chair and as a member of the Retirement Plans Investment Committee, effective December 29, 2023.

Resolved: that the Board of Directors hereby appoints John J. Boisvert as a member of the Retirement Plans Investment Committee, effective January 1, 2024; and affirms that the members of the Retirement Plans

Investment Committee, effective January 1, 2024, will consist of John J. Boisvert, George Torres, Mary V. DeRoche, Carol Ann Howe and Stephen D. Genest.

L. Goodhue indicated that due to the changes in officers voted on at today's meeting, the officers who are authorized to open bank accounts for the Company in Bank of America and TD Bank, and to sign checks and transfer or withdraw funds from those bank accounts, need to be changed.

TD Bank, N.A.

On motion duly made by E. Dunn and seconded by T. Leonard, all of the Directors then voting by roll call, it was unanimously

Resolved: that effective January 1, 2024, the Chief Executive Officer, the Chief Operating Officer, the Chief Financial Officer, the Treasurer, and the Assistant Treasurer of Pennichuck Corporation (the "Corporation") be, and they hereby are, authorized to open and/or maintain bank accounts in the name of the Corporation in TD Bank, N.A. for the deposit of funds of the Corporation, and that with respect to all such accounts: (1) all checks, drafts, notes, bills of exchange, acceptances, undertakings and other instruments or orders for payment, transfer, or withdrawal of money in the amount of Twenty Five Thousand Dollars (\$25,000.00) or less for whatever purpose and to whomever payable shall bear the signature of any one of the individuals listed on Schedule A, and (2) all checks, drafts, notes, bills of exchange, acceptances, undertakings and other instruments for payment, transfer, or withdrawal of money in excess of Twenty Five Thousand Dollars (\$25,000.00) for whatever reason and to whomever payable shall require the signature of any two of the individuals listed on Schedule A; and that the Chief Executive Officer, Chief Operating Officer, Chief Financial Officer, Treasurer and Assistant Treasurer of the Corporation are authorized to establish and maintain cash management services for the bank accounts referenced above.

Further

Resolved: that effective January 1, 2024, the resolutions set forth on Schedule B relating to all bank accounts of the Corporation held at TD Bank, N.A. are hereby approved, subject to the restrictions set forth in the first resolution above.

Bank of America

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 effective January 1, 2024, the Chief Executive Officer, the Chief Financial Officer, the Treasurer and the Assistant Treasurer of Pennichuck Corporation (the “Corporation”) be, and they hereby are, authorized to open and/or maintain bank accounts in the name of the Corporation in Bank of America for the deposit of funds of the Corporation, and that with respect to all such accounts: (1) all checks, drafts, notes, bills of exchange, acceptances, undertakings and other instruments or orders for payment, transfer, or withdrawal of money in the amount of Twenty Five Thousand Dollars (\$25,000.00) or less for whatever purpose and to whomever payable shall bear the signature of any one of the individuals listed on attached Schedule A, and (2) all checks, drafts, notes, bills of exchange, acceptances, undertakings and other instruments for payment, transfer, or withdrawal of money in excess of Twenty Five Thousand Dollars (\$25,000.00) for whatever reason and to whomever payable shall require the signature of any two of the individuals listed on the attached Schedule A; and that the Chief Executive Officer, Chief Financial Officer, Treasurer and Assistant Treasurer of the Corporation are authorized to establish and maintain cash management services for the bank accounts referenced above.

Appointment to Board Committee(s)

On motion duly made by E. Dunn and seconded by S. Pillsbury, all of the Directors then voting by roll call, it was unanimously

Resolved: that Brian Law is hereby appointed a member of the Audit, Finance and Risk Committee and the Nominating and Governance Committee.

Business Updates and Comments from the CEO

L. Goodhue indicated he did not have any specific comments to offer so he provided the time for D. Bernier to give some input on the Chemical Feed Project. D. Bernier expressed his thoughts in certain areas as it related to the project indicating he was in agreement with the project and the direction it was taking. He provided some thoughts and input in the area of the project financing and various funding avenues that can be considered and the reasons for those considerations. He also stated in his opinion the reason we are constructing the project could fall under a PFAS related category and, if worded correctly, could potentially result in funding from certain sources at a lower cost. D. Bernier’s comments generated significant discussion between Board members and company’s management.

Charitable Contributions

L. Goodhue introduced A. Surette to the board and provided some background on her tenure at the company and the different areas she has been involved in. He noted one of her recently added responsibilities was being Chair of the Charitable Contributions Committee and overseeing the \$40,000 budget that is used in donating to organizations in the Greater Nashua area. D. Ware noted these donations come from the Pennichuck Water Service Company and not the regulated utilities and it is seen as being valuable to the organization as it relates to a public relations perspective as well as offering benefit to the community. Alicia highlighted different types of organizations where company contributions are made. She also stated to the Board members if there were any questions on any specific line items in the presentation they received, she would be happy to discuss them. She noted there was a good mix of mail in requests for donations from organizations as well as those posed by employees. There are several walks, runs and other events that employees have participated in throughout the year. She said some organizations have been reaching out to her and M. DeRoche and it has been a good opportunity for them to get out into the community and understand more of what they are doing and getting to know them more. They were able to identify good uses of donations for the entire \$40,000 budget. She indicated in January/February timeframe they will be reviewing the Committee guidelines and if there are any changes, it will be brought to the board for their approval. S. Greenwood stated the company continually encourages employee participation in fund raisers and the company will match them. J. Lustig also indicated it would be nice if the board was made aware of some of the events that are occurring so they can participate if desired.

L. Douglas and A. Surette left the meeting at 11:00 a.m.

Management Presentation Schedule

L. Goodhue presented the current management presentation schedule and noted that it will continue to be reviewed by the Board and the management team each month to determine if any changes are needed.

Move to Non-Public Session

D. Bernier 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). 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, J. Lustig, A. Corriveau, S. Flegal, J. McGrath,
B. Law

Nay:

Motion was carried to enter into non-public session at 11:09 a.m.

Reconvene in Public Session

The non-public session ended at 11:38 a.m. and the Board reconvened in public session.

E. Dunn 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.

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,
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 11:39 a.m.

Carol Ann Howe

Carol Ann Howe, CPA
Assistant Treasurer & Corporate Secretary