

PENNICHUCK CORPORATION
BOARD OF DIRECTORS
MINUTES OF JUNE 28, 2024 MEETING

A regular meeting of the Board of Directors of Pennichuck Corporation (the “Company”) was held on Friday, June 28, 2024 at 8:12 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
Aymarie R. Corriveau (via Microsoft Teams)
Scott A. Cote
Elizabeth A. Dunn
H. Scott Flegal
Ralph Jenkins
Ronald J. Houle
Brian H. Law (via Microsoft Teams)
Jay N. Lustig
John D. McGrath
Deborah B. Novotny
Sarah Pillsbury

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
George Torres, Chief Financial Officer and Treasurer (via Microsoft Teams)
Mary V. DeRoche, Human Resources Director
Sarah E. Rossetti, Human Resources Director
Christopher J. Countie, Director of Operations
Tara King, Revenue and Customer Operations Director
Steve M. Greenwood, IT Director
Alan D. Brown, Manager, Distribution
Carol Ann Howe, Assistant Treasurer and Corporate Secretary
Lori Douglas, Corporate Controller
Jay Kerrigan, Manager, Regulatory Affairs, Internal Control and Business Services
Casey Harding, Engineer
Ryan Houle, Distribution Engineer
Noah Waldron, 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 May 23, 2024 meeting of the Pennichuck Corporation Board of Directors and the April 10-11 minutes of the Pricing Committee Pennichuck Corporation - 2024 Annual Meeting of the Sole Shareholder, 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 May 23, 2024 meeting of the Board of Directors are hereby approved.

Resolved: that the minutes of the April 10-11, 2024 meeting of the Pricing Committee are hereby approved.

Capital Projects Update

J. Boisvert noted that C. Harding and R. Houle would be presenting the Capital Projects Update for 2024. He also stated this would be the last time R. Houle would be joining as he has taken a new position and then took the opportunity to introduce N. Waldron who had recently joined the company as an Engineer after her recent graduation from the University of New Hampshire.

C. Harding started by presenting some project updates. She first discussed the status of the 2023 Litchfield Water Main Extension and noted that it consisted of approximately 12,000 LF of six to fourteen inch water main and noted the project is almost completed. She discussed the Bedford Center Road which was completed and all the services were connected. She noted it was funded by PFAS RLF through the Town of Bedford. The Plaistow Project was completed to add a supplemental supply of purchase of water through Plaistow. This required us to add water main to accommodate this change. She indicated PVC was used and J. Lustig asked why PVC and she indicated we have had very good results using PVC and other products were not as accessible and were more costly. The Drinking Water State Revolving Fund (DWSRF) loan funds were used for both areas – Sweet Hill and Twin Ridge. There was a significant purchase water fee charged from Plaistow which added to the cost. The Twin Ridge system water quality had significant issues which required improvement. Among the other projects discussed were the Londonderry Tank, Trans. Main and Station which consisted of 1.25MG Storage Tank at \$2.25M, and Transmission Main of 5,700 LF, and Booster Station project which will be completed by the end of 2024. The Bedford and Londonderry Services consisted of 27 new services and approximately 5,800 LF of service tubing. They will be mobilizing this project in July of 2024. There is the Londonderry Water Main Extension in which they had secured a \$5 million in New Hampshire Department of Environmental Service (NHDES) grants of which \$2 million needs to be allocated by the end of 2024. An application with the Drinking Water Ground Trust Fund filed by Londonderry for an additional \$7-8 million is in process.

R. Houle next presented on construction related to City projects both Water Main Construction and Water Main Replacement. Some are still in process and others ongoing. A significant portion of the cost is setting up temporary water main sources. Total bid cost of Water Main Reconstruction is \$567,000 and Water Main Replacement \$2,750,000. He also presented some picture of a water main reconstruction of both before and after the project and discussed the intricacies of this work. He discussed the Salmon Brook Dam Evaluation and noted the choice needed to either remove or rehab the dam. He discussed the points surrounding this decision one of them being that the dam is no longer needed by Pennichuck Water Works, Inc. because the well it was previously used for

is no longer in use. He discussed the talking points for both sides of the decision being made and noted an evaluation is still in process to determine if the dam should be removed or repaired and how to they would move forward on either decision. R. Houle noted there are several other projects going on including English Woods, Merrimack River Intak Maintenance, Merrimack River Crossing Evaluation as well as PFAS Treatment designs for which we have applied for funding from the NHDES. There is also a large Saint-Gobain Londonderry Expansion project which may move forward and we are waiting to hear back from Saint-Gobain on their decision.

Brian Law left the meeting at 9:15 a.m.

Report of Compensation and Benefits Committee Meeting on June 25

J. Lustig provided an overview of what was presented at the Compensation and Benefits Committee meeting on June 25. He noted that the purpose of the meeting was to discuss the Defined Benefit Plan. Representatives from Hub International were at the meeting and lead the discussion. Part of that conversation was the basis they used for selection of funds etc. which mirror the manner in which the 401K plan is invested. The second part of the discussion centered on the importance of the plan and the benefit it offers to the employee and the company as it relates to employee retention and hiring. J. Lustig echoed this sentiment. It also provides an additional benefit for those employees who are not able to contribute to the 401K plan as this offers a benefit that is of no cost to them. He also noted some favorable changes that are coming in the 401K plans which are based on items in the Secure Act 2.0. He also stated there was some discussion on the repercussions of ending the pension plan. G. Bower noted that our representatives at HUB are doing a fantastic job managing the plan.

Retirement Plans Investment Committee

G. Bower noted a vote was need based on changes associated with the retirement of M. DeRoche today. Based on that, we need to replace M. DeRoche, who serves on the Retirement Plans Investment Committee with S. Rossetti who is now serving in the position of Human Resources Director.

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

Resolved: that the Board of Directors hereby appoints Sarah Rossetti as a member of the Retirement Plans Investment Committee, effective June 28, 2024; and affirms that the members of the Retirement Plans Investment Committee, effective June 28, 2024, will consist of John J. Boisvert, George Torres, J. Lustig, Carol Ann Howe and Sarah Rossetti.

Financial Update

G. Torres indicated he only has a few items to discuss. Related to the Consolidation, there are several items that were required related to banking relationships etc. but they are in the final stages of resolution. He also noted this week they closed on the renewal of the Working Capital Line of Credit with TD Bank at Pennichuck Corporation. He also stated that we were able to retain a loan from the Department of Environmental Services (DES) from the PFAS Remediation Loan Fund which will fund the Chemical Feed Project. He discussed details related to the funding costs

including cost of issuance in comparison to the cost of bonding which is a significant savings. He noted prior approval was obtained by the Board and there are several other approvals that will be required from various parties such as the City, as our sole shareholder, Governor and Council, as well as filing of a petition with the New Hampshire Public Utilities Commission. There have already been costs associated with the project which are being funded by the Fixed Asset Line of Credit and then it will be reimbursed once the loan funds are received. We are looking at all approvals being completed during the October time frame.

L. Douglas provided a brief overview of the financials as of May year to date. She discussed total revenue and expenses compared to prior year as well as cash flow activity. R. Jenkins asked about the lower pumpage and D. Ware explained the reasons for this which related to some contractual relationships with key commercial customers as well as some other key factors.

Dividend to Sole Shareholder

G. Torres 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 R. Jenkins and seconded by E. Dunn, all of the Directors then voting by roll call, it was unanimously

Resolved: that a dividend in the amount of \$69,541.74 be paid to the sole shareholder of record, the City of Nashua, New Hampshire, on August 6, 2024.

Other Business

The Management Presentation List was presented and G. Bower indicated that there has not been any changes in the schedule. It was also confirmed that we will not have the July Board of Director meeting.

Business Updates and Comments from Chief Executive Officer

J. Boisvert noted that there are three employees retiring in the company today and one of them being M. DeRoche. He also noted the recruitment process is going well and the replacement of the Chief Engineer role has been completed. He also indicated that there was the first meeting of the Pennichuck Water Service Company (PWSC) Steering Committee and there was a good discussion.

G. Torres left the meeting at 10 a.m.

Move to Non-Public Session

J. Lustig moved that the Board enter into non-public session to discuss financial or confidential information, pursuant to RSA 91-A:3, II(j), II(a) and II(c). J. McGrath seconded the motion.

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

Yea: G. Bower, R. Houle, S. Cote, S. Flegal, R. Jenkins, A. Corriveau,
S. Pillsbury, D. Novotny, E. Dunn, J. Lustig, J. McGrath
Nay:

Motion was carried to enter into non-public session at 10:17 a.m.

Reconvene in Public Session

The non-public session ended at 11:56 a.m. and the Board reconvened in public session.

J. McGrath moved that the Board seal the minutes of the non-public session to discuss financial or confidential information, pursuant to RSA 91-A:3, II(j), II(a) and II(c). R. Jenkins seconded the motion. A roll call of the Directors was taken, which resulted as follows:

Yea: G. Bower, R. Houle, S. Cote, S. Flegal, R. Jenkins, A. Corriveau,
S. Pillsbury, D. Novotny, E. Dunn, J. Lustig, J. McGrath
Nay:

There being no further business to come before the Board, the Chairman adjourned the meeting at 11:57 a.m.

Carol Ann Howe

Carol Ann Howe, CPA
Assistant Treasurer &
Corporate Secretary